

1907 ~ Business, Financial and Investment Counselors ~ 1930
"Over Twenty Two Years of Service"

The MAGAZINE *of* WALL STREET

April 19th 1930

G. Wyckoff
PUBLISHER

35 Cents a Copy

APR 18 1930



What's Ahead of the Market

By A. T. Miller

— • —

Why the Oils are in the Spotlight

By Theodore M. Knappen

— • —

Business Moves Slowly Up the Grade

By Gilmore Iden

Vol. 45 No. 13

THE PENNSYLVANIA RAILROAD

SUMMARY OF ANNUAL REPORT FOR 1929

THE 83RD ANNUAL REPORT of The Pennsylvania Railroad Company, covering operations for the year 1929, will be formerly presented to the stockholders at the annual meeting on April 8, 1930. The report shows that net income in 1929 exceeded that of any year in the company's history and was \$18,952,324 greater than in 1928. Last year was the fifth successive year in which the net income exceeded that of any previous year.

Net income, amounting to \$101,378,518, was equivalent to 17.64% upon the outstanding capital stock at the close of the year as compared with 14.69% upon the amount outstanding at the close of 1928. Net Income per share (par \$50) was \$8.82, compared with \$7.35 in 1928.

OPERATING RESULTS

	1929	Increase over 1928
TOTAL OPERATING REVENUES were.....	\$682,702,931	\$32,135,615
TOTAL OPERATING EXPENSES were.....	493,150,592	12,978,958
LEAVING NET REVENUE of.....	\$189,552,339	\$19,156,657
TAXES amounted to.....	40,518,595	2,672,238
EQUIPMENT, JOINT FACILITY RENTS, etc., amounted to	15,894,118	451,779
LEAVING NET RAILWAY OPERATING INCOME of.....	\$133,139,626	\$16,032,640
INCOME FROM INVESTMENTS AND OTHER SOURCES amounted to	48,791,500	4,255,842
MAKING GROSS INCOME of.....	\$181,931,126	\$20,288,482
RENTAL PAID LEASED LINES, INTEREST ON FUNDED DEBT AND OTHER CHARGES amounted to.....	80,552,608	1,336,158
LEAVING NET INCOME (Equal to 17.64% on Capital Stock) of	\$101,378,518	\$18,952,324

After providing for the payment of 8% dividends to the stockholders and for sinking and other reserve funds, \$48,925,596 was credited to Profit and Loss account.

* * *

Last year's satisfactory results were attained through the helpful cooperation and friendship of the shippers, patrons and stockholders and the continued efforts of the officers and employees to conduct the company's service to the public expeditiously, efficiently and economically.

W. W. ATTERBURY,

President.

Philadelphia, Pa., March 31st, 1930.

THE PENNSYLVANIA RAILROAD

*Carries More Passengers, Hauls More Freight
Than Any Other Railroad in America*

SHIP AND TRAVEL VIA PENNSYLVANIA

Stockholders may obtain copies of the Annual Report from J. Taney Willcox, Secretary, Broad Street Station, Philadelphia, Pa.

Odd Lots

If you wish to buy certain securities and haven't sufficient cash for a hundred shares—buy Odd Lots.

By this method of stock purchasing you can buy as many shares—or as few shares—as you desire.

Many advantages of trading in Odd Lots are explained in an interesting booklet.

Ask for M.W. 427

100 Share Lots

John Muir & Co.

Members { *New York Stock Exchange*
New York Cotton Exchange
National Raw Silk Exchange, Inc.

Associate Members: New York Curb Exchange

39 Broadway

BRANCH OFFICES

New York

11 West 42nd St.

41 East 42nd St.

Sound Investment Securities

WE HAVE just prepared a list of carefully chosen, income-producing bonds and stocks to assist investors in the proper selection of Sound Investment Securities.

A copy of this list may be had on request.

Ask for AT-304

A.C. ALLYN AND COMPANY

INCORPORATED

Investment Securities

CHICAGO

100 W. Monroe Street

NEW YORK

30 Broad Street

and other principal cities

Personal Investment Service

FOR 56 years we have served security buyers, and it has always been our endeavor to fit the investment to the investor, studying the needs of the individual and employing the financial experience of more than half a century. Those interested in investment securities are invited, without further obligation on their part, to consult us.

Tobey & Kirk

Established 1873

Members
New York Stock Exchange
New York Curb Exchange

25 BROAD ST. NEW YORK

**STANDARD
OIL
ISSUES**

CARL H. PFORZHEIMER & CO.

Specialists in Standard Oil Securities

Members New York Stock Exchange
Members New York Curb Exchange

25 Broad St. New York
Phone HANover 5484

Member of Audit Bureau of Circulations

CONTENTS

Vol. 45. No. 13

April 19th, 1930

The Ticker Publishing Co. is affiliated with no other organization or institution whatever. It publishes only The Magazine of Wall Street, issued bi-weekly, and the Investment and Business Forecast, issued weekly

INVESTMENT AND BUSINESS TREND.....	993
Market Boom Advances Toward Corrective Stage. By A. T. Miller..	995
Taking Security Profits in Mergers. By Richard Banbury	997
Business Labors on the Upgrade. By Gilmore Iden.....	1000
Forecasting the Turning Points. By Thornton S. Coleman.....	1002
Why the Oils Are in the Spotlight. By Theodore M. Knappen	1005
Things to Think About.....	1008
BONDS	
Remington-Rand, 5½s, 1947. By Edwin A. Barnes.....	1010
Bond Buyers' Guide.....	1011
RAILROADS	
Reading. By Russel Tayte.....	1012
PUBLIC UTILITIES	
The United Gas Improvement Co. By William Knodel.....	1014
INDUSTRIALS	
Profit Possibilities in Stocks Selling Below \$100 a Share:	
Cutler-Hammer, Inc.....	1016
U. S. Pipe & Foundry.....	1016
United Carbon	1017
Chicago & Northwestern Railway.....	1017
Texas Corp.	1018
Drug, Inc.	1018
Preferred Stock Guide.....	1019
American Machinery & Foundry—Ingersoll-Rand. By C. Hamilton Owen	1020
For Profit and Income. Market Indicators. The Stockholder.....	1022
BUILDING YOUR FUTURE INCOME	
The First Industry.....	1024
Budgeting One's Way to Financial Independence. By E. V. Coberth	1025
An Elementary Lesson on Investment for Young Capitalists. By James E. Sareault.....	1026
Should I Change My Life Insurance Policies? By Florence Provost Clarendon	1029
TRADE TENDENCIES	
Trade and Industry Behind the Season.....	1030
The Magazine of Wall Street's Indicators. Business Indexes. Common Stock Price Index.....	1031
ANSWERS TO INQUIRIES.....	
New York Stock Exchange Price Range of Active Stocks.....	1036
Securities Analyzed, Rated and Mentioned in This Issue.....	1039
Important Corporation Meetings.....	1039
Recent Reported Earning Position of Leading Companies	1054
Statement of Ownership	1055
Market Statistics	1055
New York Curb Exchange.....	1058
Important Dividend Announcements	1058
Over-the-Counter	1060
Cumulative Index to Volume 45.....	1065

Copyright and published by the Ticker Publishing Co., Inc., 42 Broadway, New York, N. Y. C. G. Wyckoff, President and Treasurer. E. Kenneth Burger, Vice-President and Managing Editor. W. Sheridan Kane, Secretary. Lael Von Elm, Business Manager. Thomas F. Blissert, Financial Advertising Manager. The information herein is obtained from reliable sources and while not guaranteed, we believe it to be accurate. Single copies on newsstands in U. S. and Canada, 35 cents. Place a standing order with your newsdealer and he will secure copies regularly. Entered as second-class matter January 30, 1915, at P. O., New York, N. Y., Act of March 3, 1879. Published every other Saturday.

ADVERTISING REPRESENTATIVES—Atlanta, A. E. Christoffers, Walton Building, Baltimore, W. L. Towner, 1115 Lexington Building.

SUBSCRIPTION PRICE \$7.50 a year, in advance. Foreign subscribers please send International money order for U. S. Currency, including \$1.00 extra for postage (Canadian 50 cents extra.)

TO CHANGE ADDRESS—Write us name and old addresses in full, new address in full, and get notice to us three weeks before you desire magazine sent to the new address.

EUROPEAN REPRESENTATIVES—The International News Company, Ltd., Breams Building, London, E. C. 4, England.

Cable address: Tickerpub.

H. M. Byllesby and Co.

INCORPORATED



Underwriters, Wholesalers and
Retailers of Investment Securities
—Specialists in Public Utilities

CHICAGO

231 South La Salle Street

NEW YORK

111 Broadway

BOSTON PHILADELPHIA PITTSBURGH PROVIDENCE DETROIT
MINNEAPOLIS ST. PAUL MILWAUKEE DES MOINES KANSAS CITY

Direct Private Wires—Chicago-New York-Boston-Philadelphia

South America

60 Branches

Argentina \ Brazil \ Chile
and throughout the Americas,
Spain and England

The Anglo-South American Bank, through its
42 years of export and import banking expe-
rience, has acquired an intimate knowledge of
the countries in which it has branches. This
trade information is available to interested
business men.

ANGLO-SOUTH AMERICAN BANK, LTD.

Represented by

**THE ANGLO-SOUTH AMERICAN
TRUST COMPANY**

49 Broadway, New York

THE MAGAZINE OF WALL STREET Advises When and What to Buy for Investment and Profit

BY subscribing to *The Magazine of Wall Street*, you provide yourself with a complete, unbiased investment service in magazine form for an entire year at a cost of only \$7.50.

A Complete Service

Every one of the 26 issues of THE MAGAZINE OF WALL STREET included in a year's subscription contains comprehensive analyses and definite recommendations of sound securities that offer outstanding investment opportunities.

As a guide in knowing when to close out your commitments to the best possible advantage, in every issue you will find a detailed review of the current investment and business outlook, written after the most careful study of the trend of industry, commodities, money, earnings, credit, public interest, professional activity, governmental influence — every factor that causes fluctuations in the security market.

An Unbiased Service

THE MAGAZINE OF WALL STREET has no interest in the sale of any securities—

its counsel is never influenced by the possibility of gain in any direction—every recommendation, every analysis, every article is an impartial presentation of known facts with the benefits to be derived by its readers the only consideration.

A Personal Service Which is Unique

The opinions and advice given to our subscribers by our Personal Service Department must meet every test of accuracy and represent the combined judgment of specialists. *They are not superficial, one-man replies*, as is so frequently the case with some organizations because of the tremendous expense involved in maintaining a large organization. Our many thousands of annual subscribers through their continuous patronage enable us to render this unique personal service without additional charge (the only limitation being three questions at one time). Inquiries are answered by personal letter or collect telegram as requested.

Valuable Book FREE

Mail the coupon below immediately and you will receive FREE with your yearly subscription a copy of "How to Secure Continuous Security Profits in Modern Markets"—the latest book by that well-known financial authority, John Durand. This book contains 205 pages of informative, practical and valuable security data, profusely illustrated with charts and tables. It is regular book size, richly bound in dark blue flexible fabrikoid, lettered in gold.

SPECIAL OFFER COUPON—CLIP OUT AND MAIL TODAY

THE MAGAZINE OF WALL STREET,
42 Broadway, New York, N. Y.

April 19, 1930.

ENCLOSED is \$7.50. Please enter my subscription to THE MAGAZINE OF WALL STREET for one year (26 issues). I understand that my subscription will entitle me to:

1. Full Consultation Privileges of your Personal Service Department.
2. "How to Secure Continuous Security Profits in Modern Markets."
Latest book by John Durand.

PLEASE have your Personal Service Department write me a personal letter concerning the outlook for the following securities:

1.
2.
3.

Name City
Address State



WITH THE EDITORS

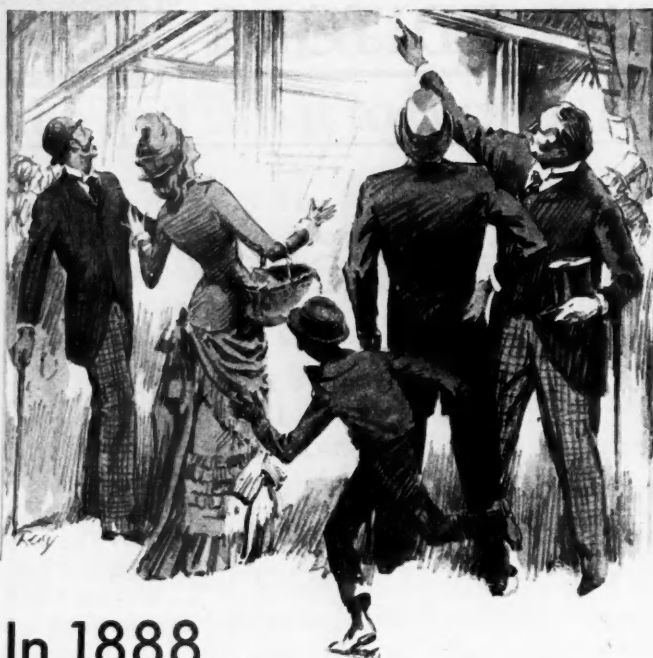


This Is Our Policy

THE American public has been reared on the principle of a free press and rightfully is entitled to unbiased presentation of facts and honest editorial opinions in all that it reads. In no section of present-day publishing, moreover, is truth, accuracy and editorial honesty more important than in matter pertaining to finance and investment. Subsidy of opinion or unfair emphasis on facts or news cannot be tolerated.

A great responsibility is entrusted to a financial publication, and no one is more keenly appreciative of this trust than THE MAGAZINE OF WALL STREET. It conforms to the cherished high policy to which this publication has been, and always will be, committed. At the sacrifice of hundreds of thousands of dollars' worth of advertising, it maintains clean columns, fearless editorial opinions and fair presentation of facts. We are obligated to no one. We recognize that as a publication our first duty is to our subscribers. In their interest we refuse to let advertising, or any other consideration, influence the selection of securities or modify the manner in which news or financial advice is prepared.

The security business has become a vast industry, and it is our function to appraise and impartially select from the many thousands of securities which it offers, only those issues which we believe to be the soundest and in the most favorable position. We stand for a clean press, which, by serving the reader faithfully in the long run also serves the advertiser best.



In 1888... New York's FIRST SKYSCRAPER

Skeptics of that day called the ELEVEN STORY Tower Building, at 50 Broadway, a "house of cards" and looked at it aghast. This strange new structure was built with a skeleton frame of steel. Many people predicted that it would fall over, and refused to walk near it. • The skyscraper of today represents tremendous progress in the science and skill of construction.

THE MANHATTAN COMPANY BUILDING STARRETT BUILT • STARRETT OWNED

Wall Street's newest and greatest skyscraper is the recently completed Manhattan Company Building. Towering seventy stories into the air—925 feet—this gigantic new structure contains office space at a higher elevation than any other building in the world. • Investors can share in the ownership of this building, and participate as well in the profits of the complete Starrett organization through the purchase of Starrett securities. Write for our new folder "The Fascinating Story of Wall Street's Greatest Skyscraper."

G. L. OHRSTROM & Co. INCORPORATED

44 WALL STREET, NEW YORK • BRANCHES IN TWENTY PRINCIPAL CITIES

-----TEAR OUT AND MAIL-----

G. L. OHRSTROM & CO., 44 Wall Street, New York • Please send me "The Fascinating Story of Wall Street's Greatest Skyscraper."

Name _____

Address _____

NATIONAL SECURITIES INVESTMENT COMPANY

The Allotment Certificates listed on The Chicago Stock Exchange consist of one share of 6% Cumulative Preferred Stock, one-half share of common stock and the right to buy another half share of common up to January 1, 1934 for \$7.50. The common stock is now selling around \$24 a share. The net assets applicable to the preferred were equal to \$137 per share on December 31, 1929. The rise in the market since that date has increased this equity substantially. The securities owned by the Company include many of the outstanding leaders in the United States. At current prices the yield is about 6%. We believe these certificates afford an excellent investment with interesting possibilities of profit.

A. G. Becker & Co.

Sound Securities for Investment

54 Pine Street, New York
100 South La Salle Street, Chicago



Generating plant
at Valmont,
Colorado.

Cities Service Common Stock

PUBLIC SERVICE COMPANY OF COLORADO, the largest gas and electric company in Colorado, is only one of more than 100 Cities Service subsidiaries.

An investment in Cities Service Common stock is an investment in the future of such going concerns as this, with unusual safety features and an attractive net yield of over 6½% at present prices. Send for further information.

Mail the Coupon

HENRY L. DOHERTY & CO.

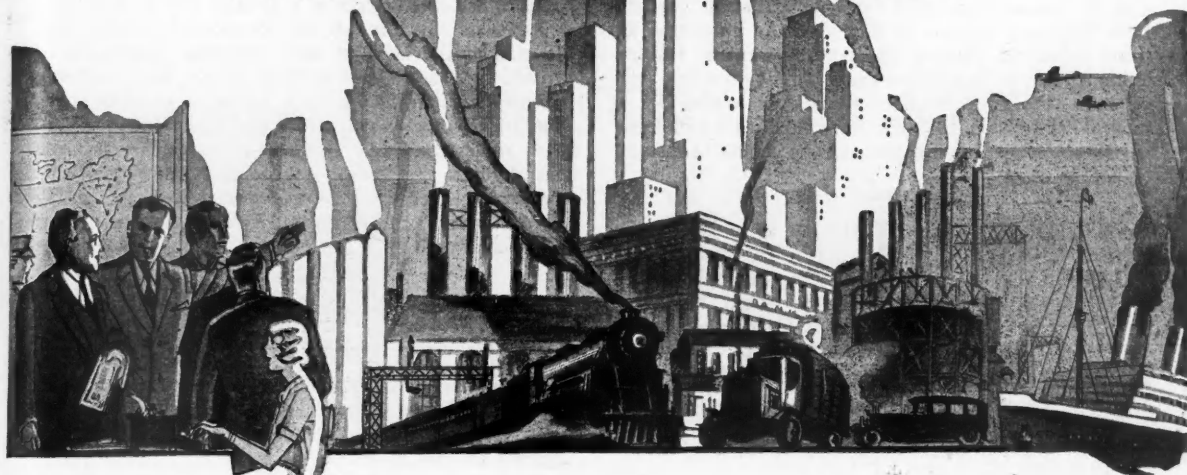
60 Wall Street, New York City
Please send me full information about Cities Service Common stock.

Name _____

Address _____

..... (060 C-18)

The MAGAZINE of WALL STREET



E. Kenneth Burger
Managing Editor

C. G. Wyckoff
Publisher

Theodore M. Knappen
Associate Editor

Investment and Business Trend

*A Flaw in National Economy—Selfishness Mutually Grati-
fied—Bank Loans—Weather and Business—Copper Stocks
—The Price of Leadership—The Market Prospect*

A FLAW IN NATIONAL ECONOMY

THE International Paper and Power Company reports a deficit for 1929 after dividends, and the paper and pulp industry generally faces difficulties. With the greatest production in history, the oil industry must wage a struggle for profits. The coal industry is chronically down and out. The lumber industry makes less and less lumber, and still complains of vanishing profits. Yet all these industries are concerned with materials that are essential to civilization and its progress, some of which would already appear to be entitled to scarcity values. It may be said that their loss is the profit of secondary industries, but it is not good for the nation to have the exploitation of its resources in the hands of unprosperous industries. Economy and efficiency are not characteristic of impoverished industries. They are forced to skim the cream of their materials for the market and waste the rest. They work without reward and they needlessly deplete indispensable resources. Destructive competition is the general explanation of their delinquency. The law enforces it and the government that makes the law deprecates it. This conflict cannot be permitted to continue. Government must take over conservation

or authorize private enterprise to take the necessary measures. The bases of national prosperity must not be sacrificed to fear of monopoly or of governmental control. Either has its evils, the latter being the worse; but either is better than dissipated resources and the lean days that will follow.

SELFISHNESS MUTUALLY GRATIFIED

HOUSE and Senate tariff conferees are wrangling over paragraphs of the tariff bill, but their wrangles are inconsequential. The bones of contention involve only the differences between bad and worse. House bill or Senate bill, it is the product of protectionism run wild and selfishness mutually gratified. Even the holy cause of agriculture could not hold the semi-low tariff coalition together in the Senate. Beet sugar in the west and a patch of cane sugar in the south, lumber west and south, and scattered cement mills triumphed over the consumer. As in every other high tariff bill—and as it ever will be—the log-rollers prevailed. All that the farmer-lumber senators gained for farmers by the high tariffs on agricultural products they took away by

BUSINESS, FINANCIAL and INVESTMENT COUNSELORS
1907 - "Over Twenty-Two Years of Service" - 1930

the duties on sugar and lumber. The few sugar patches of the country and the farm wood-lots offer little offset to higher prices farmers will pay for the sugar they eat and the lumber they build with, regardless of whether these products have as good a case for protection as other industries. And—if the export debenture feature is lopped off, as it will be—our business president will be compelled by political considerations to approve a most unbusinesslike bill. The only good that will come of this stupidity is that it will soon be behind us instead of before us.

BANKS INCREASE THEIR LOANS TO BROKERS

THE rise in brokers' loans during the first quarter of the year, tells a story of increased banking participation in financing the speculative phase of the stock market. Bank funds, mostly from the New York banks but also from their out-of-town cousins, are growing while non-banking funds are being withdrawn from brokers' loans. Out of this perfectly natural trend of affairs, all sorts of inferences have been drawn by financial commentators—except the simple explanation that the loan of private funds is no longer attractive at the current levels of call money. The total amount of brokers' loans is not determined by the supply of funds, but rather by the demand for this type of capital by brokers. And the current upturn in demand is easily supplied. Banks still have large amounts of funds which individually they are anxious to keep in some liquid form such as brokers' loans. They can obtain a huge additional amount of funds, if needed, by the simple expedient of borrowing against their reserves at the Federal Reserve Banks and at a low cost. Private individuals are not so fortunately situated and the prospect of a three and a half to four per cent return, less the charges entailed in handling such loans, is not especially attractive. This explanation adequately covers the situation. There is no need seeking more elaborate implications. As for the figures, New York banks at 1.5 billion have increased 500 million from a year ago; out-of-town banks at 1.1 billion have shrunk about the same amount, whereas loans "for others" at 1.3 billion dollars are some 1.5 billion less than a year ago.

THE PRICE OF LEADERSHIP

WHAT is the price of corporate leadership? What is the chief executive worth to his company? What measure of corporate success can be attributed to one individual? These questions come to mind in connection with a recent characterization of the head of a large steel company as a million-dollar-a-year man and the highest paid corporate executive. The fact that the million dollar figure was challenged by competent interests is beside the point. If a single individual can so mould the destiny of his company as to produce large revenues why should his talents not merit handsome—even extravagant—reward? There is no standard by which brains and talent for executive skill can be evaluated, and true leadership is always at a premium. It is the quality which has made the industrial growth of this country possible and is the greatest and most

tangible stake in its future. Moreover, it is apparent that this is the thought in not a few corporations of first magnitude. Whereas the salary or bonus of the chief executive is usually not made public, nevertheless it is more or less common knowledge that the man at the helm of such industrial giants as are typified by American Telephone, U. S. Steel, General Motors, Standard Oil of New Jersey, General Electric, National Biscuit, Consolidated Gas and numerous railroads and banks receive compensation which runs into seven figures. And what is more, if a consensus of the respective shareholders were obtained it would probably be found that they concurred in the view that they were worth it.

WEATHER AND BUSINESS

THERE is a tradition in these United States that the farmer is the only individual who risks his fortune on the vagaries of the skies. When he sows his seed, he is placing a bet on the rain, the snow, the heat, the cold, and the drought and with considerable odds against him. But how about the business man? In Chicago, for instance, one single fortnight brought both a blizzard with nineteen inches of snow and a sudden heat wave with 90 degrees temperature. Generally throughout the country, the Spring is late in arriving, and weather conditions are not ideal for an early stimulation of seasonal lines of business. In fact if anything, the weather man is giving the farmer the "breaks" this year at the expense of the businessman—particularly the retail merchant. A drought in the Middle West has already added over ten cents a bushel to the price of wheat, but unseasonable weather conditions are not propitious for business.

COPPER STOCKS

FEW observers expected that the 18 cents level for copper would be maintained for nearly four months of the current year in the face of large stocks, declining demand and the persistent selling of the custom smelters. Undoubtedly the smaller companies have suffered more than the larger ones; although the maintenance of former dividend rates by the leading companies has been accomplished to the disregard of earnings that are off sharply from last year. Security prices respond favorably to the encouragement of sustained dividends but scarcely to the degree anticipated, while more recent weakness was a clear cut example of discounting lower prices for the metal. Both the lack of enthusiasm in the rise and the abrupt decline subsequently are significant of the action of "insiders." There is probably no other security group whose leading interest and sponsors are closer to the market or more skillful and foresighted in their operations than in the coppers. Movements of leading stocks in this industry are almost invariably significant of some important development or change in trend.

THE MARKET PROSPECT

A COMPREHENSIVE summary of the present position and future prospect of the stock market appears on pages 995 and 996. Monday, April 14th, 1930.

Market Boom Advances Toward Corrective Stage

Security Risks Currently Overshadow Long Range Prospect of Business Improvement

By A. T. MILLER

AFTER three months of advancing prices succeeded in restoring investment confidence, a time has arrived when we believe it is necessary to discuss quite frankly the possibility of a turn in the current market trend.

The topic is not a pleasant one, to be sure, but we shall be speaking of aims and purposes rather than prices. Shareholders in American corporations have been handed an enormous gratuity during these past few months. It is important that they should have a full measure of appreciation of this fact, if they are to use the stock market recovery to their greatest possible advantage. Finally, it is hoped to present some suggestions of practical value to those who are interested in the stock market in more than a transitory manner. So with this program before us, let us get right down to the business of appraising the near term prospects of the stock market.

Two Thirds Recovery

Since the start of the year, stock market prices have recovered, on the average, about two-thirds of their decline in the 1929 break. Most of the factors on the bullish side of this market recovery, however, were of an intangible nature. Probably the strongest of these "intangibles" was a stubborn faith in the recuperative powers of the United States, industrially and financially. Even the swiftest price decline in the history of the Stock Exchange had not destroyed this faith, although it had been put to a very severe test. Many hopes of making easy stock market profits were badly shattered and the buying power of a large body of investors and traders was virtually paralyzed at the bottom of the decline.

Looking back over the past three months, we now know that it would have been perfectly safe and enormously profitable to have bought good stocks with our last penny and every other last penny that we could have begged or borrowed. Hindsight gives all of us this valuable secret, now that it is too late to make use of it. But let us not destroy ourselves like Lot's wife by this hasty look backward. The truth of the matter is that November, 1929, was a very crucial and dangerous month in the career of the stock market. Those who stepped into the breach and bought stocks, in November, assumed large risks—much larger in proportion than were assumed by those who bought stocks in January.

Had the faith of the investing public in the ability of the stock market to "come back" been broken in November, 1929, we would now be in the midst of a bear market, with sagging prices, dull trading, the public definitely "out of the market" and the end not yet in sight. This is the risk that was assumed by the November bargain hunters, knowingly or otherwise.

But it was a risk that was largely eliminated by the upward turn of the market. Furthermore, we now have a water mark by which to measure the "bottom"—something that did not exist at the time. In a rough way we now have a calculable point where investment buying will absorb stocks and where strong interest will stand pat, even under panic conditions. We are far away from that point at the moment to be sure, but that merely



From an Etching by Anton Schuts

A new view of Wall Street

for APRIL 19, 1930

confirms the substance of this resistance point all the more.

These few paragraphs of review are essential to a sound appraisal of the present market position. In order to attempt to forecast the extent to which the spring recovery is likely to go, we must first understand the aim which the recovery is intended to serve. For with the single exception of low money rates and a plentiful supply of liquid capital, there are no tangible factors of importance on the bullish side of the market. Its inception and its subsequent impetus was engineered by a highly skillful technique that brought the market back to a level where billions of dollars of buying power for stocks has been released. For what purpose? To mend the badly shaken faith of the investing public in the stock market. Why should the faith of the investing public be mended? Because that is essential to a sustained or advancing price trend for stocks, which in turn has become an essential factor to our industrial prosperity.

With the many market opinions that are current at the present time, few of them comprehend the fact that the market recovery of the past few months has been necessary for the restoration of public confidence in stocks. And the few that do comprehend this, fail to carry the thought to its logical conclusion. Thus with all these varying views, the most important stock market development of the year is overlooked. This development is simply this—that investment confidence in common stocks has been restored by the advance of the stock market since the start of the year.

A strong movement in an individual stock or in the major body of stocks in this current type of market must have a goal. Were business continuing on the upgrade of 1928 and 1929 with a continued expansion of corporate earning power, these earnings might furnish a price goal for individual stocks to reach. But no such relation can be observed for the general body of stocks, therefore, it is not a price goal which the present advance is attempting to attain. It is the belief of this writer that the goal of the present market movement is the restoration of public confidence in stock investments. Furthermore, if this view is correct, then we can now anticipate a change in the character of the stock market for the near term future. Five and six million share days offer impressive evidence that the goal has been reached or at least is closely approached. After the strength of the market of the past three months, it can stand a decline of severe proportions with far less impairment of investment

confidence than would have resulted from continued dullness and sagging prices at the end of 1929.

And in the meantime, those who have carried stocks over from last year have been presented with a most fortunate enhancement of market values for their holdings—an increment in value that normally would have been expected only after a tedious period of industrial deflation, stagnation and ultimate recovery. Collectively speaking, these stockholders have experienced a recovery in the value of their investments that brings them back to the early part of last year without having to wait for business recovery. What should one do with such favors, so unexpectedly received?

If the November risks have been eliminated by the first quarter advance, what new risks are developing? Or, the familiar question, what is the market outlook?

The public is in the market again. Five and six million share days; half hour delays on the ticker and board rooms well filled with smiling customers tell a story reminiscent of last fall. That brokers' loans were able to increase some half a billion dollars during March without a flurry in the call rate suggests the ease and willingness with which the new army of margin traders is being financed. Member bank loans against securities which comprehend direct investor borrowing as well as borrowing by brokers is increasing even more rapidly and is much closer to the 1929 peaks than security dealer borrowing.

Where is the money coming from, one wonders. There are two sources that immediately suggest themselves; one, the slack in commercial borrowing leaves the money markets well supplied and the other being funds realized through security liquidation and temporarily employed to finance the public in its expanding stock purchases. Neither item is particularly bullish as far as the market outlook is concerned. Yet the existence of cheap money is the strongest argument forthcoming from the ranks of the

bulls. The market cannot break with plenty of money available to buy stocks or to finance purchases, they say. Well, that remains to be seen.

Other factors on the constructive side of the market are more nebulous than cheap money and ample liquid funds. Rising prices are one of the inducements to public participation. Last year, stocks were bought because business was good and earnings were running above the 1928 level. After the break, stocks were bought because they were cheap. Now they are being bought because they "are going higher."

(Please turn to page 1052)

A Picture of the Market Recovery

Groups in the Magazine of Wall Street's Common Stock Price Index	Per Cent Decline from High 1929	Per Cent Rebound 1st Quarter 1930
Soft Drinks	24.8	23.4
Railroads	28.8	10.3
Railroad Equipment	30.2	14.0
Biscuit	33.8	26.7
Restaurants	34.7	17.0
Steel and Iron	35.1	24.9
Sulphur	35.2	17.5
Marine	35.8	36.1
Telephone and Telegraph ..	36.6	3.0
Textiles	37.4	41.3
Coal	37.9	27.5
Petroleum	39.2	29.4
Variety Stores	39.6	7.3x
Drugs	40.2	8.5
Cans	42.6	28.5
Chemicals and Dyes	43.8	9.5
Business Machines	46.8	17.5
Construction	47.3	45.1
Household Appliances	48.9	61.5
Electric Apparatus	49.3	37.0
Public Utilities	50.0	33.5
Dairy Products	50.2	31.0
Meat Packing	51.0	7.8
Copper	51.6	5.4
Sugar	52.0	4.8
Amusement	54.7	63.8
Finance Companies	55.4	44.6
Tobacco	56.9	26.6
Department Stores	56.9	18.4
Shoe and Leather	57.2	25.9
Traction	58.0	55.0
Baking	58.7	58.5
Automobile Accessories ..	61.0	37.4
Automobiles	61.4	44.6
Agricultural Implements ..	63.8	43.4
Phonographs and Radio ..	63.8	19.2
Mail Order	69.7	0.0
Fertilizers	70.6	33.4
Investment Trusts	72.1	45.1
Aircraft	74.6	72.9
Tire and Rubber	77.0	50.8
COMBINED AVERAGE..	39.0	26.0

x Decline.

Public utility mergers, industrial mergers, railroad consolidations—do they represent investment opportunities? If so:

When is the most favorable time for a commitment; on the announcement, at the completion of consolidation or after the digestion period?

Taking Security Profits in Mergers

By RICHARD BANBURY

THE magic of mergers exerts a powerful influence on security prices, encompassing as it does the potentialities of greater profits to the stockholders from the combination than was possible from the formerly independent units. If the economic era in this country in the past decade, and especially in very recent years, can be characterized by any one outstanding development insofar as it affects the business structure itself, it certainly is the trend toward ever larger units in all lines of commercial activity through mergers and combinations. From a practical stock market viewpoint, the question arises as to what effect mergers have on the prices of the securities of the companies involved. In other words, how can the security purchaser benefit from mergers and consolidations?

Although there are some points of similarity between the huge combinations reared today and the notorious trusts which characterized the pre-Rooseveltian period, there is this significant difference, that the present-day mergers are consummated not with the idea of creating monopolies as was then the case, but rather, of effecting economies and stabilizing earnings through cooperation. The old order was more destructive than present day practice. Sought after competitors were smashed by nefarious trade warfare in order that they might subsequently be acquired on favorable terms. Today the merger is frequently concerned with all parties highly prosperous and an exchange of stock effects the purchase.

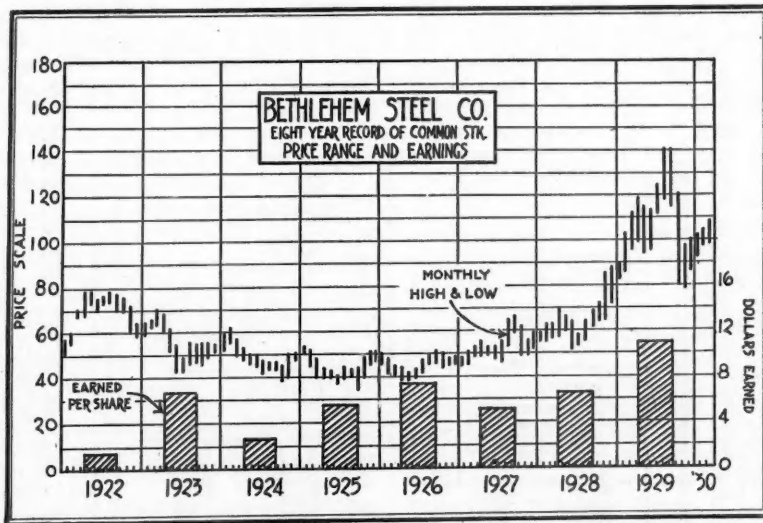
The support of the public to the present merger movement, in contrast with the antagonistic attitude of former years, has been obtained by widespread stock distribution, so that the advantages offered by consolidation are shared in by a multitude of small investors as well as by a group of wealthy shareholders owning large blocks of stocks.

The scope of the merger movement has extended virtually to all branches of business, in certain industries more so than others, but tremendous as has been the development in the past decade, continued progress is probable in the coming years. It is true that the crash in the stock market in October, 1929, ruined many projected plans for mergers.

The halt in the movement, however, is only temporary, for already several huge consolidations have been effected.

Eventually, of course, a saturation point will be reached where concentration in certain industries will attain the maximum that is possible, the entire business in these particular lines being handled by a few large units. This, for instance, is the tendency in the public utility industry and also in banking, especially in the large financial centers. There are still, however, many lines of business where consolidation

for various reasons have made but little headway, but which when favorable opportunity is offered will constitute future fields of activity. The food industry, for instance, is one which still holds tremendous possibilities, particularly the distributive end. On the whole, the United States



The sharp rise in Bethlehem Steel common prior to May, 1922, and again prior to March, 1923, took place in anticipation of mergers. In these rises lay the speculative profit opportunity. There followed a period of almost four years in which the earning possibilities of the merged entity was consolidated. Then came the investment opportunity when the fruits of the merger were manifested in a rising price trend.

is still a nation of small manufacturers and producers.

Efficiency has long been a creed in this country, but its importance both from a national and international point of view was stressed when the United States became a creditor nation following the World War and in a position where foreign trade is an increasingly important factor to the prosperity of the country. It has become necessary in order to strengthen its hold on the marts of the world to form large industrial units to meet competition. The European cartel system to no small extent accounts for the change in attitude in this country concerning large consolidations. The virtual necessity of the movement and the accomplishments of it in certain key lines has caused its application almost universally.

Mergers are of three distinct types, and designed for varying purposes. In the horizontal combination, companies manufacturing the same or similar products are merged with the idea of eliminating competition as well as effecting production economies. Industries afflicted by overproduction and overcapacity are frequently stabilized and made profitable by mergers of this type. The vertical type consists of linking units engaged in the production of a commodity from the raw material to the finished product, that is, combining a number of industries in such a manner that the finished product of the one becomes the raw material of the other. This results theoretically in both production and distributing economies. In the circular type, economies in selling or distribution or increased power in the sales market are sought, by combining a number of companies so that a complete and well-rounded line of products can be offered. A stronger merchandising line-up results.

For the two decades prior to 1920, consolidations were almost invariably based on effecting savings in the cost of production. Because emphasis in American industry has long been placed on cutting production costs, the possibilities of major savings in this direction have to a large extent been eliminated by the work already done. Efforts to cut production costs further will continue but it is generally realized that with our modern methods and machinery such a high degree of efficiency has been attained that future savings of this nature will be in terms of a small per cent or only a fraction of one per cent.

A reversal in the position and importance of production

and distribution has become particularly noticeable since the period of post war readjustment. Before that time the consuming power of the country generally could easily

absorb domestic output so that the substantial profits accrued to those companies that first learned how to produce more cheaply than their competitors. The general adoption of mass production methods has completely changed this situation. Practically every industry today is able to produce more than its markets can normally consume, with consequent overcapacity in many lines. Moreover, a new kind of competition must be met—a competition with other industries, vastly more important than competition within the industry itself. Many more new products fight for the consumers' dollars today than ever before.

Emphasis now is placed

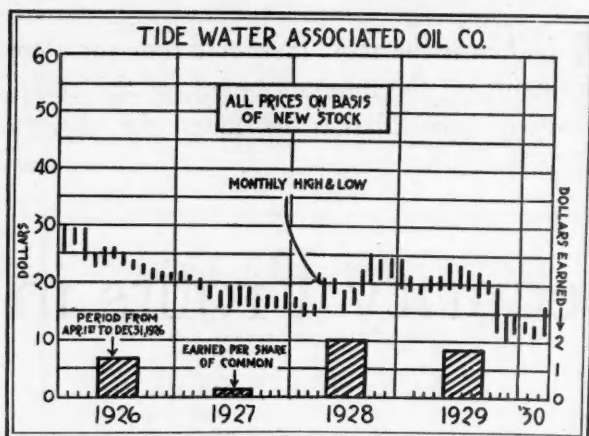
on effecting savings in the distribution phase of business activity where costs are still high, therefore, offering a field of large possibilities. The profits of the future will go to the companies who learn how to distribute with the greatest economy. As in the case of production economies, distribution economies will benefit the public through lower prices. Convincing proof that these savings are passed on to the public is revealed in a study by the National Industrial Conference Board which shows that the commodity prices for a group of consolidations for the first quarter of the present century were relatively much lower at the end of the period than those for a group of independents. In the former group, prices advanced only 20.8 per cent as against

117.4 per cent for the independents during this period of rising prices. So far as consumers are concerned, therefore, the movement has been a boon and not a burden.

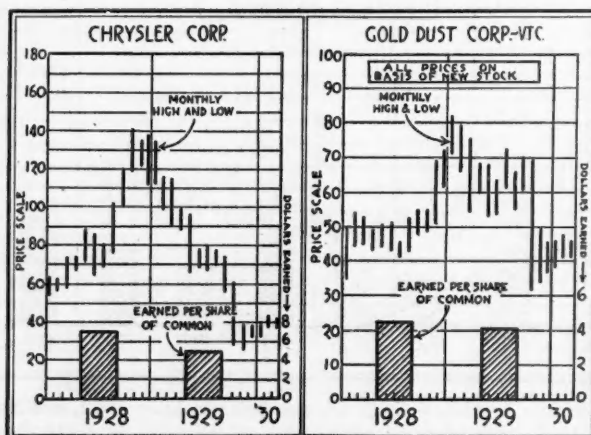
Mergers in themselves, however, do not insure low costs, nor does mere size of consolidation bring about reduction in distribution expenses. Theoretically, a plan may be worked out on paper showing the fascinating results that might happen if certain companies were consolidated, but actually the attainment of these results is an entirely different matter.

In theory, the consolidation of production facilities and the elimination of the least efficient plants should make it possible to decrease direct costs and scale down

the overhead. One single selling organization under the direction of an executive head would replace the two or more formerly independent ones, thereby eliminating com-



In the case of the Tidewater Associated Oil merger in March, 1926, the speculative rise was scotched by a sharp break in the general market. Advantages of this horizontal type merger not yet apparent with investment point not yet shown



Rising prices for Chrysler after acquisition of Dodge properties as a result of pool manipulation contrasts sharply with rise of Gold Dust prior to merger with American Linseed and again before the acquisition of Standard Milling. Investment points should be watched for as digestion period reaches completion

petition and permitting savings in selling expenses. By concentrating efforts, sales should be increased both by obtaining a larger share of the existing business and by broadening the market. Administration and selling expenses generally should decrease because only one set of officers and only one set of salesmen are necessary.

In other words, to the results obtained by adding together the separate financial and income statements of the various constituent concerns, adjustments are made to arrive at the status of the consolidated company. Changes are made in the combined statement of assets to allow for the amounts by which fixed investments can be decreased, inventories lowered, cash balances increased, and fixed charges reduced.

The earnings statement is altered to include an estimated increase in sales, and an estimated decrease in cost of sales, and administrative expenses, consequently the estimated future operating profit is enormously increased.

If such attractive results can be obtained from consolidations on paper, why is it that actual results do not substantiate them? The answer is that the simplest part of the whole affair is the plan and the estimate of the profits from consolidated operations of the properties. The impersonal factors of a projected merger can be juggled, but no formula has yet been devised whereby the human element in a merger can be gauged. Most mergers which have been effected have unfortunately disregarded the persons who are to operate and manage the combination.

To be sure, it is doubtful whether this factor even with conscious effort on the part of those engineering mergers can be wholly satisfactorily solved at the beginning.

In every merger, therefore, there must be the diplomatic head of dominant group who can create harmony and iron out the personal prejudices and differences of opinion, whose sole concern is not with individual prestige or prominence but the real purpose of getting a job done in the best way possible. Experience has proven that men and management are more important in operating an enterprise than machinery and materials, and this is particularly true in a merger situation. Once this problem is satisfactorily solved, then the success of the consolidation depends largely on the fundamental economic soundness with which it was conceived.

The test period through which every merger must go before it can be proven that the combination will function as a smooth and efficient organization, will reveal fundamental weaknesses inherent in many of them. The forces of this test period, moreover, are entirely distinct from the influence exerted on all business enterprises by periods of general prosperity and depression. In a study of merger companies it would of course be difficult to distinguish be-

tween the effect of one or the other of these or to separate them. No precise conclusion can therefore be arrived at, but a generalization, nevertheless, will serve to indicate what actually occurs to merged concerns.

A study in the pre-war period, for instance, shows that out of 35 major industrial consolidations effected between 1893 and 1902, in only three instances were the actual earnings in the first year equal to the estimated earnings; in only thirteen cases were the earnings the first year of the consolidation equivalent to the earnings of the separate companies prior to the mergers, and in only fourteen cases were the earnings in the tenth year after the consolidation equal to the earnings of the separate companies.

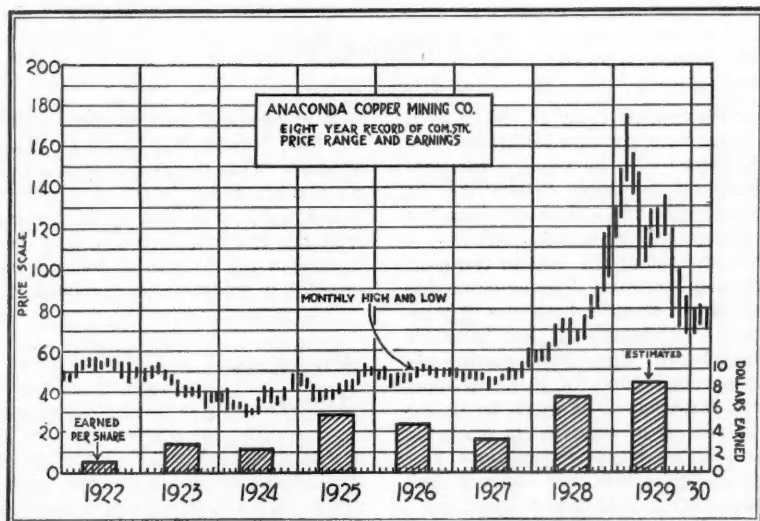
While on the one hand consolidations as such did not constitute a royal road to profit, on the other hand, it has been demonstrated that after a reasonable period of seasoning the combination enjoyed certain advantages in economy

such as greater efficiency of output, and the ability to stabilize its operations and to reduce its costs. In a survey of 16 major industries, consolidations showed a superior efficiency to that of their independent competitors in 11 out of the total; or in other words, in 68 percent of the cases cited the physical product per hour of labor was greater for the consolidation than for the independent.

In discussing the merger movement in this country there is an obvious differentiation as to causes and effect among the major

classes of enterprise. The monopolistic or quasi-public enterprises such as the public utilities, railroads, and banks stand in contrast with the highly competitive industrial concerns. The problems encountered in the consolidation of electric light and power properties, let us say, are far different from those of an industrial merger. The monopolistic character of the former subordinates the question of markets because these are non-competitive and confined to the territory of operation, therefore, the emphasis is placed on lowering the cost of production through economies from large scale output, interconnection of properties, elimination of obsolete and inefficient plants, and combining requirements on one or several large modern plants. In public utilities the advantages of mergers become operative almost immediately. Limiting the problem in this manner, coupled with the steady growth in demand for current averaging about 11 per cent per annum in the last decade have been the chief factors contributing to the nation-wide and often spectacular public utility merger movement. Earnings which would ordinarily have increased anyway because of this steady growth in use of utility services have been bettered through consolidation, and more than this, consumers have benefited from the economies effected

(Please turn to page 1034)



After the sharp rise in Anaconda common prior to announcement of American Brass Acquisition in 1922, stock gradually dropped, reaching low in 1924. Five years were necessary for the advantages of merger to be reflected in security prices. The investment period in the merger was late in 1927.

- ¶ Is Cheap Money Proving a Business Stimulant?
- ¶ Where Does Trade Stand as the Second Quarter Opens?
- ¶ How Much Improvement Can We Look for as

Business Labors On the Upgrade

A Survey Based on Views of Sales
Executives in Leading Industries

By GILMORE IDEN

WITH industrial production off from 18, 20 or even 25 per cent in many lines, conjoined with the scattering but many forced sales by retailers throughout the country, it would be impossible to describe the business of the first three months of 1930 as anything but unfavorable. Volume figures will show very definitely a falling off during the first months of the year in transportation and in the staple manufactures. The situation has been quite the other way about in some few lines of business, but that seems but to accentuate the less favorable reports which appear so general. Specialties, particularly those which promise economies because of their use, may show an increase. That, however, is as much to be expected as the customary increase in amusements when the public experiences unsatisfactory business conditions.

One financier of national repute says that "current business outlook is not as encouraging as had been hoped for." Another says that business "at present is in a waiting attitude, despite the lower interest rates and improved credit conditions prevailing." Frankness is probably the best remedy at the moment. At least it is a refreshing relief from the seemingly manufactured optimism which has been spread on the front pages of the newspapers ever since the first business survey conference was called in Washington last Autumn.

A National Survey

It was for the purpose of striking at the very heart of this subject that THE MAGAZINE OF WALL STREET instituted a survey of business conditions by directing a specific inquiry to the leading sales managers of the country. Approximately sixty of the leading industrial companies of the country were selected and a confidential report solicited designed to show the conditions as they exist at the end of March and the first of April. Behind a supposedly optimistic report of generalities lurk some significant, perhaps disquieting, details.

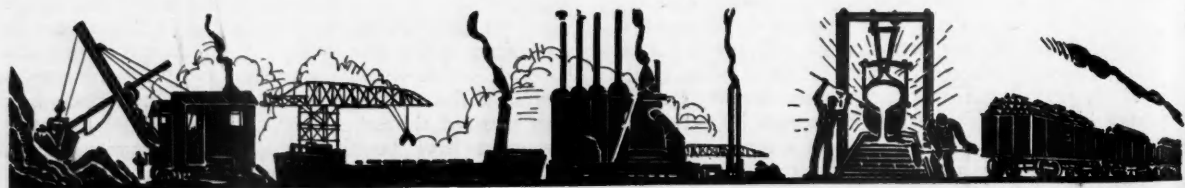
It is generally acknowledged that stocks of commodities are low, both in the hands of the producers and of the vendors. That means that producer, jobber, wholesaler and retailer are today better prepared to cope with declining prices and any sudden or unexpected shift in trade. Despite this low condition of stocks there has been a constant decline in the volume of business entailing, as it must inevitably, a reduction in employment.

Why Easy Money?

This explains as nothing else can, the low interest rates and the spreading of easier credit conditions. Those things are always apt to happen when business is slack and banks' customers become fewer. Due to the plethora of money and the willingness of the public to invest during 1929, industries were able to place themselves in an excellent cash position. They are normally more independent of bank credit and certainly are more so now that the volume of business has declined.

Security prices and interest rates are commonly cited by the newspaper prognosticators as favorable auguries of business. Rather they should be measured for exactly what they are. Of far more importance to the outlook is the normal stimulant of approaching spring and summer season. Of that, however, only the future holds the solution. Since last October the public—and this applies equally to the shrewder of business men—have learned to economize. It will require a new education to break them away from their cautious policy and to make them free and easy with their money. And of course it is this liberality in expenditures that is the strongest influence motivating business.

In making this specific credit survey it was necessary of course to promise complete secrecy to the individual reports. I am nevertheless going to take the liberty of quoting from those reports without disclosing the identity of the writers or of their companies. By such use of specific instances may it be possible to prove the accuracy of the statements noted in the above paragraphs.



"We are tightening up on our credits," one manufacturer writes; "we have shortened up our terms and have improved our proposition regarding the profits on certain items in the line which have been sold at altogether too low a price in the past."

"We sell to the retailer direct, particularly the small retailer, and as a whole the small retailer has had a pretty tough time of it during the first quarter of this year. He is being crowded pretty hard for money so naturally is watching his stock and buying only as he needs. This, of course, has affected our 'at once' sales. Future orders that we booked last August and September for shipment in March and April of this year have shrunk a trifle more than last year due to general credit conditions."

"If the small retailers as a whole can come somewhere near holding their own we will consider that they have done a pretty good job."

The picture there presented is pretty much in line with the responses in general. Retailers in innumerable cases have been compelled to resort to sales to raise money they require for current necessities. This is particularly true in nearly all dry goods lines. And in many cases retailers have been buying goods for "sale." It means of course that these "sales" are not offering goods at below cost but they do indicate that profits have been unduly slashed if not entirely foregone in many cases.

Is Cheap Money A Stimulant?

It becomes increasingly obvious that the much touted cheap money has not as yet manifested quite the tonic effect on business in general that might be expected. Of course cheap money in normal times would stimulate business but low interest rates today indicate something quite different. Member banks are out of debt with the Federal Reserve Banks, rediscounts have been holding around two hundred million dollars, much lower than at any time since the World War. We can therefore better understand the reports from Washington indicating that cheap and plentiful credit is merely a "contributing factor" and by no means a "determining factor" in stimulating business.

Aside from the stabilizing effect on commodity prices, cheap money today holds greater potential influence on the stock market than it does on current business. Cheap credit has so far stimulated speculation more than it has industry and commerce. Undoubtedly cheap credits will be more apt to stimulate the long-term capital market in contra-distinction to the short-term market, stimulate a diversion of funds to an extent from the latter to the former. Here is a situation, however, that may be changed in short order. There are indications that April may prove the critical month and mark a decided change in the trend. Certainly it would seem that business management is sufficiently familiar with the prospects, and that very cautiousness may prove the only break necessary to bring about the turn for which all are hoping.

"Stocks on hand," writes the sales manager of a manufacturer producing a staple, "are more than adequate for present needs and there is always the tendency to profit by the practice of ordering from hand to mouth. The only difference is that the orders are smaller. There is prac-

tically no inclination on the part of our customers to carry any stocks ahead and there is a decided tendency not to place orders to be made up with other than the actual consumption figures for the past year as a basis."

"Collections are about as bad as we have experienced for some years past," writes another manufacturer. "Bad debts are more prevalent than ever and in our particular industry there has been a tendency to tighten up on our credit. During the past three months of this year we show a loss in volume of sales in comparison with the same period of last year of approximately 30 per cent. Customers are very reluctant about placing business for future delivery and are hesitating about making commitments for prompt delivery and limit their orders to the barest necessity. We have been hoping for a revival in business but while there has been a slight improvement in the last week or ten days it is a long way from being normal."

"Stocks are low," says another, "and the first indications of real business on the part of the retail distributor are going to bring hurried demands on the manufacturer. January and February volume with us (a quality product sold only to large retail dealers) was ahead of last year, but I fear we lost all our gain in the month of March."

Collections Slow

That retail merchants are asking for extended terms and larger discounts is pretty generally acknowledged. That purchases are fewer and smaller is likewise the universal complaint. Many orders are awaiting confirmation, especially since the middle of February when, according to some, a "consumer buying strike" was felt.

Such conditions as these very naturally slow up collections against credit sales. Installment business has probably not been seriously jeopardized because the security offered on such sales have been extremely favorable to the vendor. But the same has not been true of ordinary mercantile credit, the time payments accorded by the manufacturer to the retailer. Collections have been slow with all producers except those who ship goods with bill of lading attached.

Inasmuch as the sales managers of staple products confess that they have had to fight hard for their business this year and will have to continue to fight hard if they wish to maintain their records, we can readily appreciate that the sale of luxury goods has been substantially less. A great volume of luxury goods, like diamonds, are imperishable and therefore the most serious distress noted is in the interest charges accumulating on the stocks carried.

Labor Saving Equipment Active

As contra-distinction to both luxury goods and staple necessities is the case of economy goods. Materials and appliances which promise to effect savings in a business or reductions in costs of a necessity have been selling in very good volume. This is noted especially in office equipment and in improved machinery. In the field of construction we note the innovations of Sears, Roebuck & Co. and other vendors of houses.

The manufacturer of an equipment which offers great
(Please turn to page 1040)



Forecasting the Turning Points

How the Magazine of Wall Street's Business and Market Indicators May Be Used in Determining the Future Price Trend of Securities

By THORNTON S. COLEMAN

A LONG with great changes in industry that have been wrought by revolutionary inventions has come an equally startling transformation in the art of estimating the future. Both developments have been the outcome of a rapidly growing appreciation of the great practical value of research work. Huge corporations like U. S. Steel, American Telephone, Westinghouse, General Electric, and many others, are spending millions yearly in working out new processes and new mechanical devices. The financial world was slower in getting started, but has of recent years been making up for lost time. Research work is costly, but handsomely remunerative. If industry has found it profitable to delve and experiment, then the financial world should unearth a veritable gold mine in economic research.

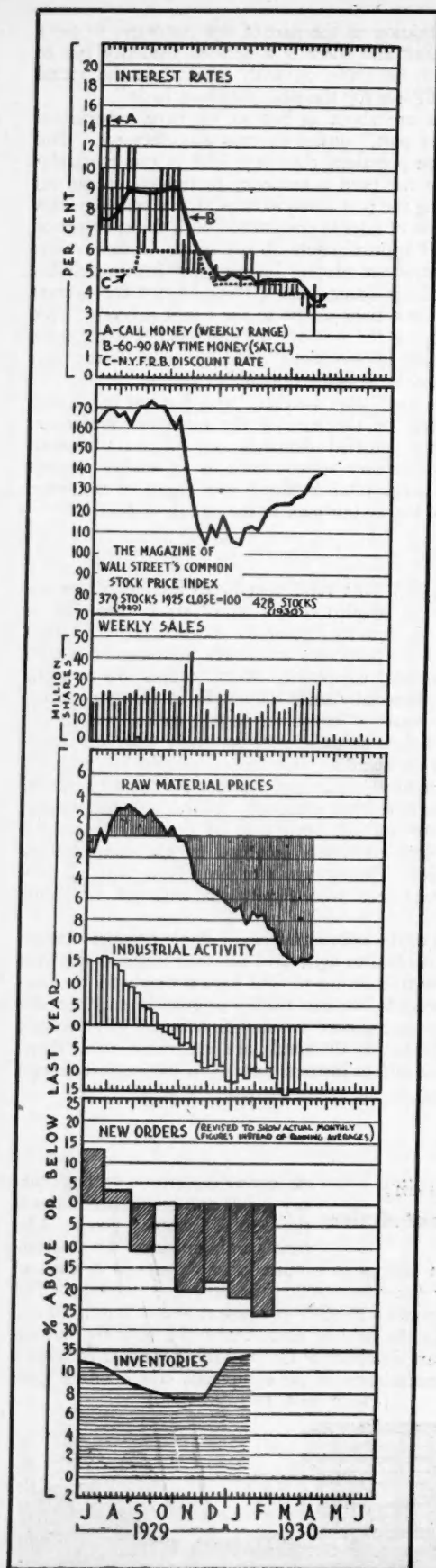
Eliminating the "Guess"

The prime requisites for research work are specialized education and time. No individual can have a sufficient command of either to accomplish much in a lifetime; but an organization of specialists can make valuable discoveries within the brief span of a few years. It is in recognition of this time economizing principle that all of our large banks and investment firms, financial publications and statistical services, have established departments for economic research. An added stimulus to this important work during the past year or two has been the formation of investment trusts to which investment research is an indispensable adjunct.

As an outcome of all this modern zeal in economic research we find that what was once little more than a haphazard art of guessing what was going to happen in business and in the securities markets is being rapidly transformed into what promises to become a true science of forecasting. As evidenced by the large losses sustained even by some of our investment trusts during the late market panic, much remains to be done, however, in the gathering, testing and analyzing of more accurate and comprehensive data, and especially by way of co-operation among research agencies in the exchange of what are now regarded as trade secrets. A central clearing house for discoveries in this field is greatly needed. THE MAGAZINE OF WALL STREET has set the example by making available to the public from time to time, through its pages and in published books and pamphlets, a considerable number of aids to forecasting that have been worked out by its staff of experts. It is to be hoped that other research organizations will conclude sooner or later that they receive more than is given out by a frank exchange of methods.

Barometers

In meteorology a barometer is an instrument for showing changes in atmospheric pressure and, because such changes are known from theory and experience to precede changes in the weather, it is used as an aid to forecasting the weather. Thermometers, anemometers, and rain gauges merely serve to confirm the forecasts by measuring present weather conditions; but tell little about the future. And so, by analogy, a business or



market barometer is a record of economic changes which are known to foreshadow changes in business activity or in the price level of securities. A clearer recognition of the distinction between barometers and thermometers is not the least important outgrowth of modern economic research work. But there are additional reasons why a number of the old barometers that used to be regarded as prophetic of coming changes in business and the stock market have today been replaced by newer methods of forecasting, or else interpreted by an improved technique.

Graphic Records

For purposes of forecasting business or the stock market, a barometer usually takes the form of a graph, or set of graphs, depicting changes in measurable economic items such as production, consumption, inventories and prices. Plotting such graphs on the same sheet with a graph of security prices as is done in our Business Indicator it is easy to perceive which of the economic graphs conform with the ups and downs of security price movements and which do not. Obviously the latter are of little or no assistance in forecasting market movements; but useful barometric material may sometimes be derived from the economic graphs that fluctuate with security prices.

To be useful as a barometer a graph must indicate coming changes in business or in the market trend, and should be a dependable prognosticator in all instances. Many indicators which were looked upon as reliable barometers before the War have since been held of lessened value; partly because, on account of subsequent changes in the business and banking world, they failed signally to forecast one or more important changes in trend during the past thirteen years, and partly because it became recognized that some of the indicators were really nothing better than measures of current conditions and not indicative of future trends at all.

Among these indicators which have been found less valuable as forecasters, are car loadings, unfilled orders, crops, gold movements, commodity price indexes, business failures, building construction, wages, electric power production, employment, sales, foreign trade, bank clearings, commercial paper rates, bond prices and banking reserve ratios. Let us see why this is so in a few outstanding cases before we examine the present day barometers.

Unfilled orders have lost their barometric significance of recent years on account of hand-to-mouth buying methods which prevent the piling up of huge backlogs of unfinished business. It is indeed questionable if they ever were very useful for forecasting purposes, since they disclose only the difference between bookings and shipments. Bookings, if reported separately, would be of great value in gauging a plant's probable output a few months ahead; but shipments merely tell about past production, and the stock market looks only to the future. If a company's plants are operating at capacity, then periodic reports of unfilled orders are of forecasting value, because changes in the volume of accumulated orders can, under the circumstances, be due only to changes in the volume of incoming business. But when the mills are operating at less than capacity, it is the practice to adjust output to the volume of incoming business,

so that the unfilled order graph takes on a flattened out appearance, and its minor ups and downs bear little relation to movements in the more volatile stock market.

Electric power production has little forecasting value partly because it measures present rather than future productive activity; but chiefly because the rate of expansion in the use of electric power is so rapid that recessions in the output are extremely rare.

Bank clearings have to be ruled out partly on account of their erratic fluctuations, partly on account of the difficulty in segregating the effects of purely speculative transactions, and partly because they reflect current transactions rather than what the volume of business is going to be.

Business failures usually drop to a minimum after the peak of a bull market, and reach a maximum after the bear market is over. They are effects, not causes, and so cannot be used for forecasting purposes.

Indicators But Not Forecasters

Crops have little value in forecasting the stock market as a whole; though prosperity of the agricultural community does have a great deal to do with the profits of industries that serve the farmers, and so influences the market performance of individual stocks within such industries. In this connection it should be observed that it is not so much the size of crops that determines the farming community's prosperity as the amount of money received for the crops, both directly and through feeding them to animals. Ordinarily it takes two years of agricultural prosperity before improved conditions can find reflection in industries that serve the farmer, since he frequently has to use the first year's profits to pay off debts. In any event, crops and the prices received for them are rather uncertain indicators of what the farmers are going to spend for fertilizers, agricultural implements and mail order merchandise. A more certain and direct means of acquiring this information is through the reports of sales in these industries which are now published regularly through government and press channels. On the other hand, crop forecasts are of considerable value in estimating the volume of freight traffic on railroads that serve agricultural communities.

Car loadings, unless combined with other thermometers of industrial activity—as in done in the Magazine's new business indexes—possess little forecasting value so far as the general stock market is concerned; since they reflect the result of past conditions, and the stock market usually looks to the future. There is a rough correspondence between car loadings and the gross earnings of individual railroads; but this is not of so great forecasting value as might be supposed, since gross earnings are not a reliable guide

to net income. It is far better to use the actual figures of net railway operating income, which are published monthly; but it should be observed that price movements in railroad stocks respond to considerations other than net earnings; especially to merger prospects, and changes in interest rates.

With the weaknesses of these business and marked thermometers apparent, what indicators can be relied on to measure the probable action of industrial groups? They

This is the first article in a new and highly practical series on important phases of security investing. Others to follow will include:

Profitable Intermediate Swings in the Stock Market

Buying Stocks on Sponsorship

Tape Reading in Present Day Trading and Investing

are, of course, those which careful testing has proven reliability and which are presented on the first page of the article. With proper understanding of their relative values and correct usage they tell a profitable story of the coming trend. No one of them, however, is sufficient in itself and the prudent investor is he who follows and interprets the significant features of each and relates them in forming his composite judgment.

Inventories

Accumulated stocks of raw material, such as copper, petroleum products, and hides and skins, are of service in forecasting broad price movements in the corresponding commodities several months in advance, and thus help to predict market movements in the securities of companies whose profits fluctuate with the price received for their output and with the valuation placed upon their inventories. Inflated inventories, of both raw material and finished goods, added to the severity of commodity price deflation during the crisis of 1920-21 and were only one among many warning signals that foreshadowed the stock market panic. At present writing we find that finished goods inventories are generally pretty well in hand, while the accumulation of basic raw material is becoming a drag upon the return to normal prosperity. In the interpretation of inventories, it is important to distinguish between sold and unsold goods. This is especially essential in lines that are marked on the installment plan where goods remain the property of the vendor, and so appear on the balance sheet, until final payment is received. In this way a report of a relatively modest inventory of finished goods may sometimes be misleading when the volume sold and not yet paid for is not disclosed.

Raw material inventories are of greater significance than finished goods and are of assistance for forecasting purposes in industries where prices are not subject to artificial control. From the forecaster's standpoint it is unfortunate that the number of such industries is growing less each year, thanks to the new regime of trade and export associations. Until very recently, for example, a graph of accumulated stocks of blister and refined copper in North and South America used to be very useful in predicting changes in the price of the metal. The method, as with all inventory problems, was to plot a graph showing the percentages each month by which current inventories exceeded or fell below those of a year ago. Any substantial rise in this graph would mean that prices were likely to decline in due time and so pointed to a coming fall in the market prices of securities in that industry. A drop in the comparative inventory graph, on the contrary, pointed to a coming rise in prices for the commodity, with a consequent appreciation in the market prices of securities in that industry.

But now, with copper pegged at eighteen cents, the inventory figures lose some of their significance, except insofar as the accumulation of stocks since the market panic points to the probability that it will be many months before these are reduced to a point where it will be possible to raise the price of the metal. In the meantime we must look to consumption figures and balance sheets to estimate the current profits of copper companies and the possibility of maintaining dividends. At present writing it looks as though the industry will succeed in its efforts to stabilize the metal price, and that the larger companies will be able to maintain their present rate of dividends out of surplus; but much hangs upon how long consumption continues at the present low rate. From a stock market standpoint, the present outlook holds enough of

uncertainty to make it wise to avoid new commitments in the copper stocks pending definite evidence of some improvement in the outlook for that industry. It is better to miss the bottom than be caught by possible adverse developments.

The petroleum inventory graph has remained so stationary during the past year or more that we have to look to production figures for a clue to the outlook. The recent market rise in oil securities may be traced to falling production of crude in controlled districts, especially California. For the first time in its history, the oil industry seems to have succeeded in effecting a measure of voluntary control of output, and the market outlook for favorably situated oil stocks looks quite promising at present writing, despite the considerable advance which they have already enjoyed.

The shoe and leather industries are among the few that have not yet succeeded in effecting some degree of control over output and prices for the raw material; so that inventory and price curves are still valuable here in forecasting the long pull outlook for securities in that industry. The hide and skin inventory curve, computed as described in the preceding paragraph, reached a peak during the closing months of 1928 and has since been sagging slowly. As a consequence of the falling inventory graph, hide prices have been pursuing a generally rising course since the middle of February, last year. The indications thus point clearly to gradually rising prices for shoe and leather securities, as a group, provided the general market continues to advance.

Of course barometric indications of this character should not be interpreted to mean that the securities of a favorably situated industry should be purchased indiscriminately. It is never safe to buy the stock of a poorly managed, or unfavorably situated company.

Prices

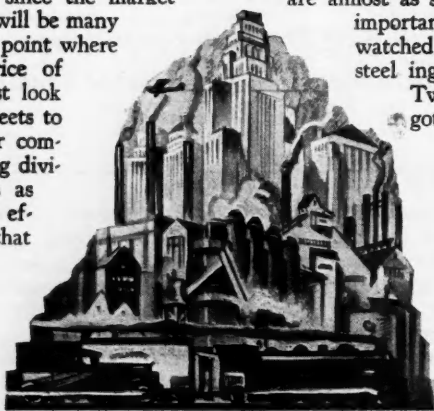
In a number of leading industries, which utilize a highly speculative type of raw material, price movements of the commodity frequently lead to wide changes in profits and thus serve as stock market barometers. Hence it is helpful to investors to keep a close watch upon the prices of such basic commodities as copper, lead, tin, zinc, silver, coke, hides, cotton, sugar, wheat, silk and rubber. Falling prices of raw materials not only lead to inventory losses, but also frequently betoken a diminishing demand for the finished product. Rising prices have the opposite significance, and this is reflected in the prices of securities in these industries with considerable promptitude.

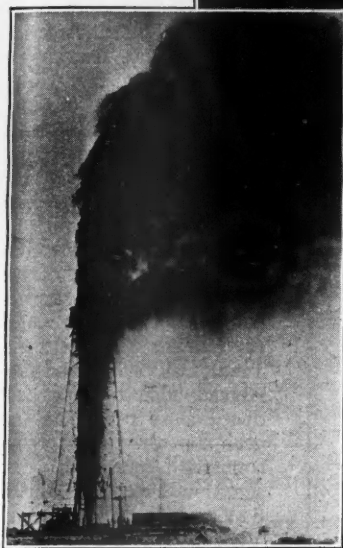
Profits depend upon the volume of output as well as upon prices, so that production figures, in many instances, are almost as significant as prices. Among the more important production figures that should be watched are automobiles, new construction, tires, steel ingots, copper, lead, zinc and petroleum.

Two of these—automobiles and steel ingots—are useful in forecasting the general market as well as the related industrial group of stocks.

Production figures, if properly presented in the form of percentages above or below the preceding year, are of forecasting value; because a coming change in the trend of production activity can be sensed by a change in the rate of increase or decrease long before it becomes evident by the old method of waiting

(Please turn to page 1050)





P. & A. Photo

Recent gusher at Mary Sudik well near Oklahoma City, Okla., spouted 400 feet in the air at rate of more than 3,000 barrels an hour



Ewing Galloway Photo

Why the Oils are in the Spotlight

Industry in Improved Producing and Marketing Position and Its Securities Are Likely to Respond

By THEODORE M. KNAPPEN

MECCHANICAL power is the characteristic feature of our civilization. The application of mechanical power on an extensive scale differentiates the Twentieth Century from the Eighteenth just about as much as it does from the Twentieth B. C. Power multiplies labor by sixty-six in our time. The freemen of ancient states did not average over four slaves apiece. Animal power, important in transportation and agriculture, meant little to manufacture.

Industrial power rests almost entirely on coal and mineral oil. They are the inanimate colossal slaves that are transforming the world. The future depends upon them. Coal was the supreme energizer in the immediate past and will be again in the distant future—because there is so much of it, but of the two oil is now in the spotlight, especially in America. Oil is modern, coal is ancient.

Men are still living who saw the first oil well drilled—at Titusville, Pa., in 1859. There were no barrels or other receptacles to receive the oil. Last year more than a billion barrels of oil flowed or was pumped from over 300,000 drilled wells in the United States and was systematically contained, stored and shipped. The billion barrels were worth more than a billion dollars as they came from the earth. The wholesale value of the finished products was in excess of \$2,500,000,000, a sum exceeded by the output of only four other industries, namely, slaughtering and meat packing, motor vehicles, iron and steel and foundry

and machine shop products. Oil is the most rapidly growing of all industries. Nineteen states produce oil and twenty-nine refine it. Every hamlet in the land depends on oil and shares in the industry's benefits and revenues. It moves and illuminates an age that is motion and light.

Supply Surpasses Waxing Demand

Yet this enormous industry has not been altogether happy of recent years. It has been growing too rapidly. Production has been too great even for the multiplying demand, competition has been severe, distribution has been topheavy and its costs have been excessive. At the same time there has been great waste of oil in the ground and much concern over its exhaustion. The Federal Oil Conservation Board was created by President Coolidge in 1924, and since then there has been steady progress toward rationalization of the industry with a view to improving it economically and scientifically. No direct conservation action has been taken by the Federal government, except to check oil development on public lands, and none is likely; but much progress has been made in the direction of control of production by state legislative and administrative action. The Federal Oil Conservation Board has consistently advocated control of production and has suggested methods of attaining it. The problem has been attacked from both the crude production and refining sides, and has

been dealt with internationally as well as nationally. The organized petroleum industry has co-operated continuously through the American Petroleum Institute and local groups. Production quotas have been assigned to various fields and to producers in those fields, and the refineries have at the recent request of the Board undertaken to curtail their operations. Ultimate satisfactory regulation of production depends largely on whether the interested states can unite in an interstate compact, as regulation of production by federal action appears to be unconstitutional and agreements among producers and refiners across state lines will conflict with the Federal anti-trust laws. As between individual proprietors it is co-operation, compulsion or chaos—for there is no definite ownership of oil in the ground—only of the well. Shut your well and the other fellow gets the oil. It appears to be certain that substantial progress has been made, and what has been accomplished is a good indication that much greater progress will be made in the future.

Public and corporate interest are one in the matter of oil conservation, although producers and manufacturers are more immediately interested in maintaining a profitable market, whereas the public is more interested in actual physical conservation of a precious natural resource. The latter consideration is, however, of equal importance from a business point of view, although the apprehension of the early exhaustion of the recoverable oil resources of the United States is not so pressing as it was. In the past perhaps not more than a sixth of the oil in a pool has been recovered. Part of this failure of recovery has been due to the waste of natural gas as an agency in bringing the oil to the surface.

The Conservation of Pressure

The conservation of the propulsive force of natural gas is not entirely within the control of any operator unless he happens to own the whole pool. What is saved at one hole may be lost at others. Enormous amounts of natural gas have been wasted in often futile attempts to make it elevate oil. Two wells in the Cook pool in Texas "were allowed to blow wide open for days in an attempt to blow them into oil, wasting 250,000,000 feet of gas—and getting one 10-barrel and one 26-barrel pumping well." Efforts to convert gas wells into oil producers have caused even larger wastes. This relation between oil and gas has prompted a California conservation law that correlates the production of gas and oil. Gas pressure conservation is plainly a co-operative problem of the greatest economic importance. It is not merely a contribution to greater oil recovery per well but means that the capital invested in production will have a longer period in which to be charged against depletion.

This is an item that is of interest to all investors in oil securities that have a production phase, because the dividends must be looked upon as replacing capital as well as

paying for its use, as in the case in all depletive industries. An exhausted oil well is not a plant, it is merely a worthless hole in the ground.

What husbanding of oil means to the public and the national future may be inferred from the fact that whereas the United States yields 68 per cent of the world's oil it probably has not now more than 18 per cent of the remaining recoverable oil supplies so far as known. North America had originally the largest oil deposits in the world, but out of the 20,000,000,000 barrels that have been produced since the beginning of the industry the United States and Mexico have contributed about 15,000,000,000. We are consuming 18 per cent of the store more than twice as fast as the rest of the world depletes its 82 per cent. Texas, California—and Oklahoma, almost—each produced more petroleum last year than the three foreign countries combined, that stood next to the United States in production—Venezuela, Russia, Persia—which ousted Mexico from second place.

The first two months of 1930 began auspiciously for the oil industry. During that period production has been curtailed and demand increased. At a time when virtually all the other great industries have suffered a restricted demand for their products oil has enjoyed a demand substantially larger than that of the corresponding period a year ago. The domestic output of crude petroleum in January and February was almost 4,000,000 barrels less, while the demand was 8,000,000 barrels greater. Although the period may be too short a one to justify generalizations it at least raises a vivid hope that the industry is beginning to get a hold on stabilization.

This position has been reflected in the stock market to a notable extent, and if it is maintained is certain to have a stimulative effect on oil securities in general. It is notable, too, that importations of crude petroleum have been curtailed substantially. It is true that during the two months importations of refined products increased, but even so the total new supply was less than in January and February, 1929. Aside from the normal effect of stabilization between supply and demand there will be a certain distinctive attraction in petroleum securities if the general recovery of business should be delayed for some months. An industry that enjoys the unique distinction of having a larger demand in a period of depression than in one of activity cannot long escape attention.

That Depressing Surplus

This distinction will lose its glamour very quickly, however, if curtailment of production does not continue, for stocks of crude oil at the end of 1929 were 534,526,000 barrels as against 490,788,000 barrels a year earlier. After six years of study of conservation the excess of production over consumption is greater than it was at the beginning, notwithstanding that during that period consumption has

World Crude Oil Production

(Figures in thousands of barrels)

Compiled by E. B. Swanson, acting chief economist, Division of Petroleum Economics

Country	Amount	Per Cent
United States	1,006,000	67.6
Venezuela	137,000	9.3
Russia	103,000	6.9
Persia	45,250	3.0
Mexico	44,089	3.0
Netherlands East Indies	37,022	2.5
Rumania	34,900	2.3
Colombia	30,385	1.4
Peru	13,404	.9
Trinidad	8,310	.6
Argentina	8,300	.6
India, British	8,470	.6
British Borneo (Sarawak)	5,777	.4
Poland	4,983	.3
Japan (including Taiwan)	2,010	.1
Egypt	1,866	.1
Ecuador	1,351	.1
Sakhalin, Russian	1,160	.1
Canada	1,153	.1
Iraq	796	
Germany	711	
France	616	.1
Czechoslovakia	93	
Italy	44	
Other Countries	30	
1929 Total	1,488,604	100.0
1928 Total	1,384,734	
1927 Total	1,363,582	

increased about 25 per cent. On the other hand, the measure of approach to equilibrium between production and demand is perhaps more what has been avoided than what has been experienced. There has been much conservation engineering in the field and in the refinery. Far more oil is being stored in the ground, which is the best oil storage there is; oil sands are being tapped at depths of nearly two miles, and the treated oil is going further and producing more products and more income.

Trend Toward Co-operation

As the Conservation Board says: "although new fields and deeper sands are being found and there is a definite trend toward co-operative methods in developing and operating new fields and in rejuvenating old fields, the trend in the operating policies of the stronger companies has been definitely in the direction of conservation. Immediate development of a field no longer always follows its discovery; offset agreements have slowed development in proved areas; flush flow has been pro-rated to prevent flooding of markets with consequent losses to producers, both large and small; and the present shut-in production is of a volume never approached in previous years." However, the temptation to "cash in" on the increased known reserves of oil will be tremendous, and pending the possible action of the states in applying compulsion to production limitation stocks may increase and prices shrink.

Secretary of Interior Wilbur, as chairman of the Conservation Board, recently appointed a Committee on Petroleum Economics to determine the probable consumption of petroleum products during 1930 and fix the amount

of crude oil necessary to meet that demand. This committee is about to report and when it has set the figures the oil industry will have a definite budget to follow. Approximate observance of the budget will demonstrate that stabilization is possible and will unquestionably bring prosperity to an industry that, like agriculture, has hitherto been rewarded inversely according to its benefits. If the budget system does not work it may be taken as a sign that the industry will have to be further disciplined by the scourge of low prices, into reduced production.

Always the Demand Increases

Unlike some other industries that suffer from overproduction oil enjoys a rapidly expanding demand—a demand that is likely to grow even more rapidly than in the past until such time as high prices may do for consumption what low prices will eventually do for production.

The variety of uses of oil products gains yearly and the demands of each variety increase or else yield to those of a more profitable variety. Gasoline is the chief product of refinement, amounting now to 44 as compared with 41 in 1928. The increase in the demand for gasoline in two of the worst months of a poor business period is most encouraging. The curtailment of automobile production seems to have had no effect. The growth of new uses of the gasoline engine is such that no ordinary business depression checks the demand.

Foreign countries are hardly on the edge of the gasoline age. The United States consumes 76 per cent of the

(Please turn to page 1047)

Some Oil Stocks With Profit Possibilities

Company	Earned per Share of Common		Dividend	Recent Price	% Yield	COMMENT
	1928	1929				
Atlantic Refining	\$7.73	\$6.90	\$2.00†	51	3.9	One of most attractive of oil group; has large surplus; should reflect improvement in oil situation.
Barnsdall (A.)	2.25	3.25	2.00	33	6.7	Dividend safe, although earnings fell off in first quarter; expanding marketing organization; should advance with general uptrend of oil shares.
Cities Service	1.19v	1.18v	0.90a	42	6.7	Diversity of interests, including public utility and natural gas, being a leader in latter activities; high yield and expansion place stock in attractive position.
Continental	0.43d	1.90	....	30	..	Shows sharp improvement, dividend resumption not far off; good speculative purchase.
Gulf	8.06	9.83	1.50	160	0.9	Has huge reserves and surplus, latter almost twice issued capital; high price level justified but Mellon management retains surplus for expansion.
Humble Oil	6.50	10.93	2.00	114	1.7	Strong financial position, sound growth in earning power; unattractive on yield basis but has substantial long pull possibilities.
Phillips Petroleum	2.48	5.19	2.00b	41	9.9	Another stock dividend likely; market level falls short of discounting potential earnings as large factor in natural gas developments.
Richfield	3.80	4.03	2.00	27	7.4	Has potential merger prospects; expanding distributing system; attractive on high yield as well as speculative basis.
Royal Dutch	3.33	3.40E	3.209c	56	5.7	Priced reasonably considering prospective expansion in earning power; heads largest oil unit in the world.
Sinclair Consol.	2.21	2.75E	2.00	32	6.3	Attractive outlook on basis of pending merger with Prairie Oil & Gas, Prairie Pipe Line and Rio Grande Oil; subsequent earnings expansion warrants higher levels.
Skelly	3.77	5.23	2.00	41	4.9	As important factor in larger development of natural gas, besides well ordered expansion in oil, producing and marketing operations, merits substantially higher prices.
Standard Oil of Cal.	3.66	3.63	2.50	73	3.4	Rich holdings of oil and natural gas properties assure brilliant future; favorable decision on Vacuum-S. O. of N. Y. merger would reopen merger plans with S. O. of N. J.; foregoing only moderately discounted.
Standard Oil of Ind.	5.55	4.68	2.50†	59	4.3	Acquisition of 80% interest in Pan-American Petroleum, further expansion and subsequent increase in earning power warrant substantially higher levels.
Standard Oil of N. J.	4.43	5.25E	2.00†	79	2.5	As leader of oil group, with prospects of wide expansion in oil and natural gas activities, constitutes outstanding investment purchase at recent prices.
Texas	5.34	4.90	3.00	59	5.1	Very strong financial position and steady expansion of earning power give this leading independent high rating as investment with excellent appreciation possibilities.
Union Oil of Cal.	2.93	3.56	2.00f	43	3.3	Strong financial position; in favorable position industrially; stock unusually attractive on yield basis.
Vacuum	7.46	6.96	4.00	85	4.8	Merger with S. O. of N. Y. pending court decision; is considerably undervalued in case of favorable decision.

† Including extras. a Plus 6% in stock. b Plus 5% in stock. c Paid last year; no regular rate. d Deficit. E Estimated. v On average outstanding during year. f Plus 4% in stock.

Things to

ALL over the land, obeying the exhilarating summons of billions of dollars, gigantic machines, clumsy and grotesque as the dinosaurs of an immemorial geologic period, assail the passive earth and transpose and elevate its fragments. Dippers and suction dredgers, steam shovels, derricks, traveling cranes, portable railways, tractor-drawn scrapers, machine drills and riveters, explosives and torches destroy and create, wreak havoc and build it into new order. Behind the violence of man-made monsters flow endless rib-

bons of marvelous roads, above them rise towers more topless than those of Ilium. Unsung and almost unnoticed by a generation assailed by a thousand mechanical wonders, any one of which would have thrilled a century in simpler times, the mighty machines of construction are at once performing stupendously in structural creation and founding the new prosperity. Obscured by his machines stands the engineer to whom they are as the pen to the poet—mere instruments of fixing thoughts and dreams. And behind the engineer

are denial, sacrifice and saving—the investor, whose prosaic thrift and courting of riches pay the engineer and finance his machine.

* * *

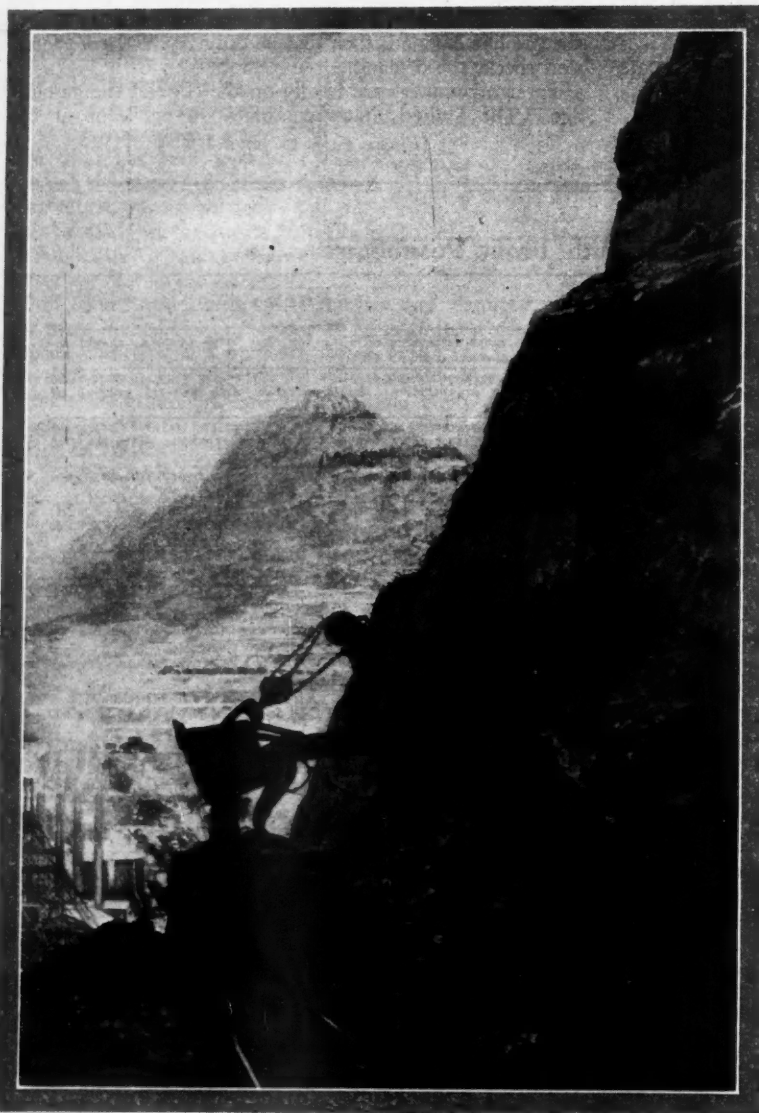
Investment Policy

T. B. MACAULAY, president of the Sun Life Assurance Company, one of the largest corporate holders of common stocks in the world recently took occasion to defend the investment policy of his company and stated: "When investing our funds, we look always to the distant future—10, 20, 30 years hence. Through our large stock-holdings we have become permanent partners in the great utility and other corporations which furnish such essential service that they may almost be said to be part of the national life. . . . We have hitched our investment policy to the star of this continent, and in particular to our great cities, and just as surely as they continue to grow and prosper, so surely will our investments grow and prosper. What need we care for the moods or pocketbooks of in-and-out speculators? Why should we reverse our policy and throw our great holdings on the market for some possible temporary gain? Could we be sure that we would ever get our shares back? We prefer to continue as permanent partners."

* * *

Gasoline versus Oil

RECENTLY engineers of the Pratt & Whitney Aircraft Corp., a subsidiary of United Aircraft, successfully demonstrated a new principle of feeding fuel to the cylinders of internal combustion engines, which requires no carburetor and makes it possible to use fuel ranging from heavy fuel oil to the highest grade of gasoline in the same engine. No mechanical adjustment is required, the switch from one fuel to another being accomplished by a simple device controlled by the pilot in the cockpit of the 'plane. The sponsors of this new principle claim that it is by no means limited to aircraft, but is adaptable to heavy trucks and tractors as well. The rapid strides which have been made in improving internal combustion engines and the application of the Diesel principle have been of inestimable importance and in another



Courtesy, General Electric Co.

Think About

decade was may even be driving our motor cars on shavings, old rags, or what have you.

* * *

The Lowly Cigarette

REFORMERS may rant and view with alarm, predicting the worst for a nation of tobacco users, but their efforts so far have been no more effective than a gentle rain upon the desert. The consumption of cigarettes in the United States last year increased nearly 13%, the actual total amounting to 119,038,841,560, and on which the Government collected \$357,205,753 in internal revenues. The increase in consumption has been particularly pronounced in recent years due in no small part to the increasing number of women smokers and it has been estimated that the fair sex contributed to the aggregate consumption to the tune of 49 billion cigarettes in 1929. Advertisements of the leading manufacturers are now making a direct appeal to the women smokers, whereas several years ago it was regarded as highly unethical to suggest publicly that any considerable number of women were cigarette smokers. Some one of these days women are going to assert their independence and stroll along the streets puffing their cigarettes as nonchalantly as their escorts (they do in London and Paris) and then cigarette production will again jump a few more billion.

* * *

Telephone Vision

MR. BROWN, sales manager of a prominent automobile accessory company located in a large manufacturing city in Ohio, picks up his telephone and informs the operator that he wishes to talk with Mr. White, president of the Atlas Automobile Co., in Detroit. In a few minutes he is informed that Mr. White is connected and the following conversation ensues:

"Good morning, Mr. White. This is Brown of the American Auto Lamp Co. I am glad to see you looking so well. You probably recall the tail-light that I spoke to you about last week. Well, I've improved the bracket as you suggested and here it is. How do you like it?"

"Hmmm, that's fine, even better than

I had hoped for. When can you start shipment?"

Such are the possibilities for the practical application of the new two-way telephone-television device recently developed by the American Telephone and Telegraph Co. While this new instrument is not commercially feasible at the present time, visual communication has been brought a step nearer to realization. Engineers responsible for this new instrument have stated that distance is no handicap to its development and agree that it would be possible to extend facilities to Europe and the Continent. Thus is the march of progress.

* * *

The Shrinking Sun

SIR JAMES JEANS says that the sun is radiating energy into space at such a rate that it is destroying itself at the rate of 360,000 tons a minute—six times the discharge of Niagara—but the reserve is still four thousand billion billion billion tons. When we have used up stored solar radiation in the coal, petroleum and natural gas there will be endless industrial ages before us if we can find out how to utilize the sun's power directly.

* * *

On the Chain Store Front

A YEAR ago representative chain store stocks held a prominent place in the speculative limelight and no prophecy of their future seemed too optimistic. In a comparatively short space of time, however, sentiment has experienced a degree of reversal. Following in the wake of the mushroom growth of retail chain stores, numerous national and local organizations with a membership made up of independent merchants have been formed not only for the purpose of securing the advantages of mass buying power but to combat the chains, as well. Newspapers and radio stations are being used to stimulate public opposition, adverse legislation has been written into the law books of two states, and there is evidence that the battle may be carried into Congress. Numerous chain store companies have reported a decline in sales this year reflecting curtailed buying, not entirely due to unemployment and business recession, and chain store ex-

ecutive are putting their heads together in serious conference. Until the situation clarifies, careful discrimination is essential in the selection of chain store investments.

* * *

The Larger Bank

HUGE as some of our banks are the limit has not been reached and greater consolidations may be expected before the year is out. The branch banking idea is growing in many parts of the country. If it is further extended under the plan of Comptroller of the Treasury Pole, it will lead, in the opinion of Roy A. Young of the Federal Reserve Board, to a universal branch banking system. Even though earnings cannot be expected to reach the levels of last year with money at current low rates, such development in the rapid growth of our banking facilities should find reflection in the shares of leading institutions.

* * *

A New Use for Steel

SPECIAL steel for various purposes is being demanded in increasing volume. By alloying with various other elements a number of new properties have recently been imparted to this cheapest of all metals. As yet the proportion of alloy steel is small when compared to the total production; but as industries become more precise in the specific characteristics which they find necessary for their purpose, however, the amount of alloy steel will undoubtedly increase, and to the profit advantage of the producer. For the margin of profit in the alloy steel far exceeds that of the plain variety.

* * *

Giant German Railroads

WE think we have some pretty big railroad systems in this country, but the German Federal R. R., which is a combination of the systems owned and operated by the various states, carry more than twice the number of passengers annually than all the class I American railroads combined. It has a capitalization of 25 billion marks or more than 6 billion dollars. It has not yet paid any dividends but contributes some \$250,000,000 annually to reparation payments.



BONDS



REMINGTON-RAND
5½s, 1947

Attractive Yield Offered by Bonds of Leading Business Equipment Company

Earnings Show Marked Improvement—Outlook Favorable—Warrants Add Interesting Speculative Feature

By EDWIN A. BARNES

CONVERTIBLE and warrant-bearing bonds have achieved considerable investment favor during the past several years, riding into prominence on the crest of the wave of popular demand for common stocks. To what extent common stocks owe their present popularity to speculative fever is not within the province of this discussion to guess, but there is no denying the probability that the ranks of former bond investors have been permanently depleted. Nevertheless, there are still many investors to whom bonds represent the only medium to which the established principles of capital employment are strictly applicable. To this group of investors and to those whose requirements make it essential for them to consider primarily the intrinsic security of the medium to which they are willing to entrust their surplus funds, but at the same time desiring to share in the future growth of an enterprise, carefully chosen convertible and warrant-bearing bonds offer the ideal combination.

As a funded obligation of a particular company, this type of bond will have a measure of true investment value determined by the same factors governing any bond issue. If the issuing company enjoys a good credit standing and is able to provide a satisfactory margin of earnings for interest charges, the safety of the investor's income and principal is assured. Under these same conditions, it is reasonable to suppose that the common stock of the company is not without elements which should eventually enhance its value and the privilege of purchasing or converting into the shares at a specified price and time, which attaches to the bonds may ultimately prove to be of considerable value. This eventuality will, of course, be translated into the value of the bonds and the difference between their normal market level and the levels resulting from the growing value of the stock privilege, will represent the extent to which the investor is interested in the company as a potential stockholder, at least. Unless there are future developments of a nature

tending to jeopardize the fundamental position of the company, the investor is protected against any substantial loss for the bonds would be unlikely to decline substantially below the level at which they would be entitled to sell purely as a funded obligation, minus their stock purchase or convertible privilege.

Remington-Rand, Inc., debenture 5½s, maturing May 1st, 1947, are representative of the type of issue under discussion and embody several attractive features. While the present company is of comparatively recent origin, having been organized in January, 1927, it constitutes a consolidation of a number of old established enterprises engaged in the manufacture of an extensive line of office and business equipment. Included in the initial grouping were the Remington Typewriter Co., Rand Kardex Bureau, Inc., and the Dalton Adding Machine Co., and subsequently other acquisitions were made which considerably broadened the company's output.

At the present time Remington-

Comparative Statistics For Remington-Rand, Inc.

	Funded Debt	First Preferred Stock	Second Preferred Stock	Common Stock	Net Sales	Fixed Charges (Times Earned)	Working Capital	Earned per Share Com.
*1928	\$25,000,000	162,478 shs	31,738 shs	1,333,460 shs	\$59,617,753	3.11	\$30,401,806	1.17
*1929	23,411,000	162,545 shs	32,116 shs	1,334,043 shs	63,991,634	3.08	31,366,829	1.15
†1930	22,377,000	166,453 shs	24,663 shs	1,335,274 shs	48,392,708	5.60	30,971,013	2.63

* Fiscal year ended March 31. † 9 months to December 31.

Rand produces a complete line of typewriters ranging from small portable units to the larger electric and book-keeping machines. In addition, the company is one of the foremost distributors of filing equipment, indexing systems, recording devices, office furniture, safes, fireproof cabinets, accounting and loose-leaf systems and statistical data. The adding machine division has developed a large number of computing machines adapted to meet specialized requirements in many industrial fields and a joint agreement for the exchange of patent rights on typewriters is held with Underwood-Elliott-Fisher.

The latest balance sheet of the company (December 31st, 1929) reveals a strong financial position and a total funded debt of \$22,377,000 consisting solely of Series "A" 5½% debentures, the issue in question. The balance of the capital structure is made up of 158,453 shares of first preferred stock, 24,663 shares of second preferred stock, both issues of \$100 par value, and 1,335,274 shares of no-par common stock. While capitalization, from the standpoint of the common shareholder at least, is rather topheavy, the company has been making marked progress in reducing funded debt and the number of outstanding shares of both issues of preferred stock. Naturally, this has resulted in increasing the common stockholder's equity in the property and earnings.

Early Difficulties Overcome

Owing to a number of difficulties experienced in co-ordinating the various properties into a single organization, earnings for the company's first two fiscal years were not impressive, being equivalent to \$1.17 and \$1.15 per share of common stock, after allowing for all prior charges and preferred dividends, in the fiscal years ending March 31st, 1928, and 1929 respectively. In both of these years, however, interest charges on the debentures were earned over three times, an adequate margin of safety.

In the last six months of the 1929 fiscal year, the concerted efforts of the management began to produce substantial operating economies and it was due to the decided improvement which earnings registered in those months that the final results were at all comparable with those for the preceding fiscal period. During the past year earnings continued to display a marked upward trend and although sales increased only 7% in the nine months to December 31st, net income gained nearly 200% and was equivalent to \$2.63 per share of common stock as

(Please turn to page 1039)

Bond Buyers' Guide

NOTE.—The following list of bonds has been arranged solely on the basis of current yields to maturity. The position of any issue is not intended as an indication of its relative investment merit. Readers should observe a proper diversification of commitments in making their selections from this list.

	Prior Liens (Millions)	Interest Times Earned on All Funded Debt	Call Price	Recent Price	Current In- come	Yield to Maturity
Panama 5½s, 1958.....(a)	102½GT	102	5.3	5.3
Norway 40-yr. ext. 5½s, '85.....	100F	101	5.4	5.4
Dominican 5½s, 1942.....(a)	101G	96	5.7	6.0
Haiti 6s, 1952.....(b)	100	95	5.8	6.4

Railroads

Atchafalaya, Top. & S. F. Conv. 4s, 1955..	267.4	5.51	110	92	4.3	4.5
Illinois Central 4½s, 1968.....	....	1.75	102½GT	100	4.7	4.7
Pennsylvania 5s, 1964.....	....	3.25	102T	104	4.8	4.7
Great Northern Gen. A 7s, 1935.....(b)	190.8	2.28	....	112	5.2	4.7
Central Pacific Guar. 5s, 1960.....(a)	....	2.28	105GT	103	4.8	4.8
Southern Railway Dev. & Gen. 6s, 1956	133.8	2.48	....	117	5.1	4.8
Rock Island-Frisco Terminal 1st 4½s, 1957.....(d)	....	X	102½T	93	4.7	4.8
Missouri Pacific 1st & Ref. 5s, 1977 (a)	125.2	1.23	105A	100	5.0	5.0
N. Y. Chic. & St. L. Ref. 5½s, 1974 (a)	59.6	2.12	105	107	5.1	5.1
Western Pacific 1st 5s, 1946.....(b)	....	1.27	100	98	5.0	5.1
Central of Georgia Ref. 5½s, 1959.....	31.1	1.56	105AG	104	5.2	5.2
Chic. & W. Indiana 1st Ref. 5½s, 1963	49.9	1.50	105	104	5.3	5.3
Carolina, Clinchfield & Ohio 1st & Cons. 6s, 1952.....(b)	13.9	X	107½T	109	5.4	5.2
Wabash Ref. & Gen. 5½s, 1978.....(a)	62.4	1.75	105AG	103	5.3	5.3
Nor'n Pacific Ref. & Impr. 6s, 1947 (a)	165.7	2.43	110G	113	5.3	5.3
Balt. & Ohio Ref. & Gen. 6s, 1935.....(a)	284.2	2.08	107½AG	110	5.5	5.4
Minn., St. Paul & S. S. M. 1st 4s, 1934	....	1.59	....	90	4.4	5.5
Cuba R. R. 1st 5s, 1952.....	....	2.73	....	80	6.2	6.7

Public Utilities

Pacific Gas & Elec. Gen. Ref. 5s, 1942..	34.38	1.92	105T	102	4.9	4.8
Montana Power Deb. 5s, 1963.....(a)	3.47	2.67	105T	101	4.9	4.9
Columbia Gas & Elec. Deb. 5s, 1932....	....	5.15	105T	101	4.9	4.9
Indiana Natural Gas & Oil Ref. 5s, 1936	....	2.62	....	100	5.0	5.0
Consol. Gas of N. Y. Deb. 5½s, 1945 (a)	....	5.40	106T	105	5.2	5.0
Utah Power & Light 1st 5s, 1944.....	....	2.90	105	100	5.0	5.0
Hudson & Manh'n 1st Ref. 5s, 1937 (b)	....	5.9	105	98	5.1	5.1
Detroit Edison 1st & Ref. 6s, 1940.....(b)	14.0	3.27	107½T	108	5.6	5.2
Postal Tel. & Cable Co. Tr. 5s, 1959....	0.6	1.99	105	94	5.3	5.4
Amer. W. Wks. & El. Deb. 6s, 1975 (a)	12.7	1.43	110	107	5.6	5.5
Seattle Electric-Seattle Everett 1st 5s, 1939.....(d)	....	2.01	105	93	5.2	5.5
Northern Ohio Tr. & Lt. Gen'l. & Ref. 6s, 1947 "A".....	8.4	2.20	110	101	5.9	5.8
Phil. Rap. Trans. 6s, 1932.....(c)	10.0	1.31	105	89	6.7	6.5

Industrials

Allis Chalmers Deb. 5s, 1937.....(a)	....	4.61	108T	101	4.9	4.7
Gulf Oil Deb. 5s, 1947.....(c)	....	4.59	104AT	102	4.9	4.8
Youngstown S. & Tube 1st 5s, 1978 (a)	....	2.74	103T	102	4.9	4.9
International Match Deb. 5s, 1947.....(a)	....	57.93	109T	99	5.0	5.0
Amer. Cyanamid Deb. 5s, 1942.....	....	9.52	100	99	5.0	5.0
National Dairy Prod. Deb. 5½s, '48 (a)	3.10	6.99	103½	100	5.2	5.2
Chile Copper Deb. 5s, 1947.....(a)	....	5.69	102T	97	5.1	5.2
Sinclair Pipe Line 5s, 1948.....(a)	....	3.63	103	98	5.1	5.2
B. F. Goodrich 1st 6½s, 1947.....(a)	....	2.61	107A	107	6.0	5.8
U. S. Rubber 1st & Ref. 5s, 1947... (b)	2.6	1.70	105A	87	5.7	6.2

Short Terms

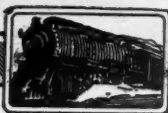
N. Y., Chic. & St. Louis 2nd & Impr. 6s, May 1, 1931.....(a)	17.3	2.12	102	101½	5.9	4.4
Humble Oil & Ref. Deb. 5½s, '32.....(b)	....	5.05	102½A	101½	5.4	4.8
Amer. Cotton Oil 5s, May 1, 1931.....	....	19.32	105	100½	5.0	4.8

Convertible Bonds

Atch., Top. & S. F. Deb. 5½s, '48... Com.@166.6	5.51	102	139½	3.2	..
Inter'l Tel. & Tel. Deb. 4½s, '39... Com.@66½	6.02	102½	122	3.6	..
N. Y., N. H. & Hart. 6s, '45..... Com.@100	1.09	....	132	4.5	..
Chesapeake Corp. Col. Tr. 5s, '47... C&O@190	2.45	100	100½	5.0	5.0
Amer. Inter'l Corp. Deb. 5½s, '49... Com.@80	2.34	105	100½	5.4	5.4

All Bonds are in \$1,000 denominations only, except (a) lowest denomination \$500, (b) \$100.

A—Callable as a whole only. T—Callable at gradually lower prices. G—Not callable until 1930 or later. X—Guaranteed by proprietary companies. (c) Listed on New York Curb. (d) Available over-the-counter. F—Not callable until June 1, 1935.



READING

Forty-sixth in Mileage But Fifth in Freight Tonnage

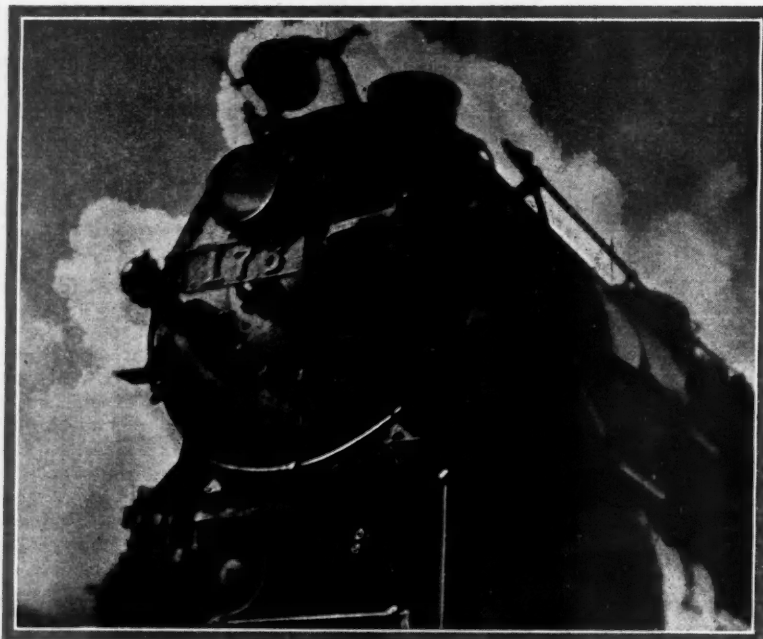
Remarkably Strong Position of Small Road—
Merger Possibilities Give Added Attraction

By RUSSEL TAYTE

THE decision of the Interstate Commerce Commission, in assigning the Reading to the Baltimore & Ohio System, merits careful interest at this time. The strategic position of this carrier and the unusual manner in which it has been developed to its present strong position lend considerable interest to its future possibilities.

Control of the property, which rested with the Baltimore & Ohio and New York Central railroads, through ownership of equal amounts of stock, is still in the same hands. In recent months, however, the Baltimore & Ohio increased its shareholdings of Reading, through purchases in the open market, thereby paving the way for further speculation as to what may occur in the Eastern Trunk Line situation. In view of Reading's tentative alignment, it appears desirable to indicate its importance within the new system.

In its most general aspects, Reading resembles a vast terminal property, which gridirons the eastern half of Pennsylvania and New Jersey. It reaches New York harbor via the Port



The Spirit of Reading

Reading Railroad, which it leases and the Central Railroad of New Jersey, which it controls through ownership of a majority of the latter carrier's outstanding stock. The Central Railroad of New Jersey owns considerable property of great potential value, fronting New York harbor.

Reading serves one of the most densely populated and highly industrialized sections of the United States. It has access to the anthracite coal regions of Pennsylvania and reaches numerous gateways and junction points. One of these is Shippensburg, Pa.,

where connection is made with the Baltimore & Ohio Railroad. A substantial volume of bituminous coal destined to industries in the East and New England, originates on the lines of the latter in West Virginia coal fields.

This traffic leaves the lines of the Baltimore & Ohio Railroad at Cherry Run, W. Va., and is diverted over the Western Maryland, over which the Baltimore & Ohio has trackage rights to Shippensburg, Pa., where it is turned over to the Reading. This diversion of traffic is for the purpose of relieving con-

gestion between Hagerstown, Md., and Baltimore, on the Baltimore & Ohio Railroad, on which division of the latter system, the heaviest freight density occurs. It is true that the Baltimore & Ohio Railroad was ordered to divest itself of the Western Maryland's holdings, by the Interstate Commerce Commission. Nevertheless, the latter ordered the existing routing be kept open to Baltimore & Ohio, so as not to deprive the latter of its valuable connection with Reading.

The Lehigh & New England Railroad, a bridge line carrier, which Read-

ing unsuccessfully sought to lease, connects with the latter at Slatington, Pa. At the Maybrook Gateway, the Lehigh & New England interchanges traffic with the New Haven, thereby linking the lines of Reading with New England. Thus, freight business originating on the Baltimore & Ohio Railroad for New York or New England as its destination, would be handled with greater facility, since it would move over a more natural routing. It would not be turned over to the Reading at such points as to permit the Baltimore & Ohio Railroad to obtain the greatest possible haul, but be handled more economically, by permitting it to move over much shorter distances. At the present time, the Baltimore & Ohio Railroad's use of the Reading and the Central Railroad of New Jersey facilities, is restricted to passenger business.

A Contrast in Mileage and Freight

Reading ranks forty-sixth in mileage, but stands fifth in the volume of revenue freight tonnage transported. In 1929, the latter totaled 65.1 million tons. Tonnage fluctuates somewhat, however, due to mining conditions, and the degree of industrial activity in the territory the road serves. Products of mines constitute the largest items transported, averaging 63.5% during 1925-1929. Coal, the most important single commodity handled, averaged 53.1% of the revenue freight transported, but contributed only approximately 34% of the total revenues. Next in importance are manufactures which averaged 26.2% during this period. Products of forests, agriculture and animals and products averaged 2.9%, 2.8% and 1%, respectively. Less car load freight accounted for 2.9%. Hauls are very

short, averaging slightly in excess of 100 miles. In view of this, the average receipts per ton mile were relatively high, being 1.19c in 1928. It is of importance to note that Reading's receipts per ton mile have increased since 1925, notwithstanding a decline in the average receipts per ton mile for most railroads throughout the United States.

During the past five years total railway operating revenues increased even in the face of a decrease of \$2,000,000 in passenger business. Total operating expenses increased \$7,296,280, but transportation expenses rose only \$2,546,007. These are indeed significant records and reflect a steady improvement in operating efficiency.

The average train load continues to increase, as does the average rate of speed per train. The greatest part of the increase in operating expenses was absorbed by heavier maintenance expenditures, which rose \$3,654,473 during the period under consideration.

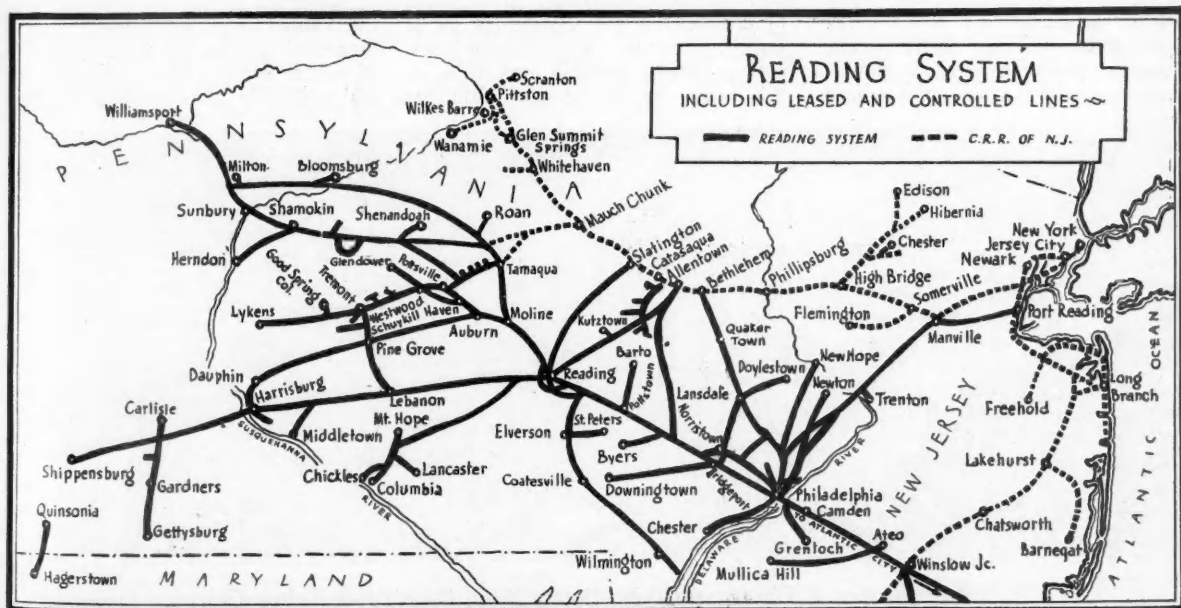
Reading continues to make large expenditures on the property for heavier weight rails, treated ties, rock ballast and stronger bridges, to permit a more rapid movement of larger trains. Its equipment is also in excellent condition. For the time being, this policy greatly obscures the company's true earning power. Net income in 1929 reflects a decrease of \$1,650,878 since 1923. Eventually, earnings should show a substantial increase, as the time will come when a substantial decrease in maintenance will be possible. During the years 1925-1929, Reading reported a total of 80.7 million dollars, of which 29 millions were paid in cash dividends. The balance was reinvested

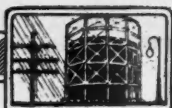
in the property, a reflection of the conservatism of the company's management.

Investment in road and equipment stood at 300.7 million dollars, an increase of 54.1 million, since the beginning of the period under consideration. Investments in affiliated companies totaled \$45,936,504 of which securities represented \$23,030,823. Included therein, were 145,000 shares of Central Railroad of New Jersey stock, which has a current market value of 40.5 million dollars. As of December 31st, 1929, current assets totaled \$20,041,532, current liabilities were \$14,004,217. Although cash amounted to \$2,874,869, it is important to observe that the company has bonds of affiliated and other companies, with a par value of \$19,648,609. The latter are free assets, which the company can sell or pledge.

High Book Value

Capitalization consists of \$27,991,200 of first preferred stock, \$41,970,650 of second preferred stock and \$69,989,100 of common stock. All of the stocks are of \$50 par value. Two shares of the second preferred are convertible into one share each of common and first preferred stock. Funded debt totaled \$116,244,871 or 45.2% of the total capitalization. The company's surplus totaled \$114,102,767, giving a book value of \$139 to the common stock. If the additional undisclosed equity, which is obtained by revaluing the Central Railroad of New Jersey shares to their present market value, the common stock has a book value of \$151. In view of the fact that the shares are of \$50 par value, the book (Please turn to page 1040)





THE UNITED GAS IMPROVEMENT CO.

Holds Strategic Position in Eastern Utility Field

Common Stock to Benefit from Future Developments in This Territory

By WILLIAM KNODEL

INTIMATELY identified with the economic development of the great eastern industrial states, the United Gas Improvement Co. in its almost fifty years of existence has shown consistent and logical growth until today it is one of our outstanding public utility holding company organizations. From the time of its original formation in 1882, to construct and install the first water gas manufacturing equipment in the country, the company has been in close association with practically all branches of the public utility industry, acquiring either through purchases or as payments for services rendered large interests in utility operating units chiefly in the eastern part of the country. It is this territory which presents probably to a much greater degree than any other in the country attractive possibilities in the line of mergers, some of which were consum-

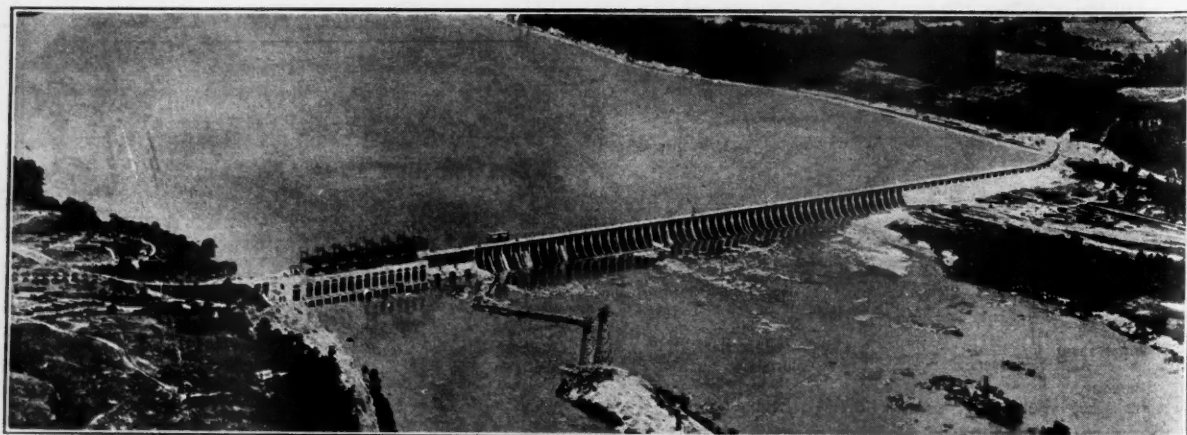
mated last year and logically the formation of compact and efficient systems serving this geographical area should continue. The strategic position which the United Gas Improvement Co. occupies in the East makes it a highly important factor in all such moves.

Strategic Location of Properties

The company's avowed policy adopted several years ago has been to enlarge its activities in sections where it is already established as the dominating factor and to dispose of its isolated properties. In this way the company is becoming more effective because there are many advantages to be gained by coordinating the activities of public utility properties in contiguous territories, making possible protection to the service by having more than one

source of supply as well as unquestioned economies in operation, mass purchasing, financing, etc. First thought has been given to regularity of service followed by economical production, so that such rates can be provided as will permit greater use and will increase the volume of business.

In following out its expansion policy, the United Gas Improvement Co. has built up a closely integrated system of gas and electric properties operating in a territory extending, roughly, from the Susquehanna River in Maryland through one of the most highly industrialized sections of Pennsylvania, across New Jersey into the Connecticut Valley and up New York State to the St. Lawrence River. In this rich area, the United Gas Improvement Co. is interested directly through subsidiaries of which it owns the majority stock and indirectly through large holdings



Airplane view of Conowingo Hydro-Electric Plant, Philadelphia Electric Co.

in other utility systems operating here. Through the great Conowingo hydro-electric power development, the United Gas Improvement Co. is the dominant factor in one of the largest power pools in the world. Control of this project was obtained through the acquisition in 1927 of more than 97% of the capital stock of the Philadelphia Electric Co. This latter company, in addition, supplies all the electric service in the city and county of Philadelphia, including power for traction lines, and it sells power for the electrified portion of the Pennsylvania Railroad in that vicinity. Other important cities served by this group are Bethlehem, Allentown, Harrisburg and Hazleton. The Philadelphia Gas Works has a contract with the city of Philadelphia to manage the municipal gas works and supply gas service in that city.

Through another subsidiary, electric service and transportation are conducted in Wilmington, Del., and contiguous area, a section which is the home of the du Pont companies and other extensive industrial enterprises. In Connecticut, a chain of fourteen companies operate for the United Gas Improvement Co., the chief link being the Connecticut Electric Service Co., which has a charter broad enough to cover the generation and distribution of electric current and gas throughout the state. The cities at present served include such industrial centers as Waterbury, New Britain, Meriden, Norwalk, Bristol and New London. Power is also served to the New Haven Railroad and to the Connecticut Co. which operates practically all the traction lines in the state. Gas is served to 17 communities.

In addition to its controlled subsidiaries, which mainly constitute the so-called United Gas Improvement Co. system, the company's other investments could facilitate important connections between its own properties and those of many other large operating and holding companies, in each of which it holds less than a majority of stock. The most important holding of this type is in the Public Service Corp. of New Jersey, a total of 1,807,206 shares of common stock or approximately 34% of the 5,355,785 shares outstanding as of December 31st, 1929. This gives the United Gas Improvement Co. virtual working control of Public Service a system which supplies electric light and power, gas and transportation to 82% of the population of New Jersey.

An eventual merger may be effected

between U. G. I. and Public Service of N. J. through a share exchange, current price levels suggesting 3 of the former for 1 of the latter.

Other important investments of the United Gas Improvement Co. consist of 975,447 shares of common and 595,755 option warrants of the Commonwealth & Southern Corp.; 199,842 shares of common, 718,183 Class "A" option warrants, 300,000 Class "C" option warrants, and indirectly through a wholly owned subsidiary, 132,109 Class "A" and 528,437 Class "B" option warrants of the Niagara Hudson Power Corp.; 448,170 common shares of the Midland United Co.; and 100,000 shares of common of American Superpower Corp. The Midland

the work performed amounted to \$81,600,000 as compared with \$68,000,000 for the previous year, and 73% of the business in 1929 was for clients not associated with the United Gas Improvement Co. Many types of construction work are undertaken both here and abroad.

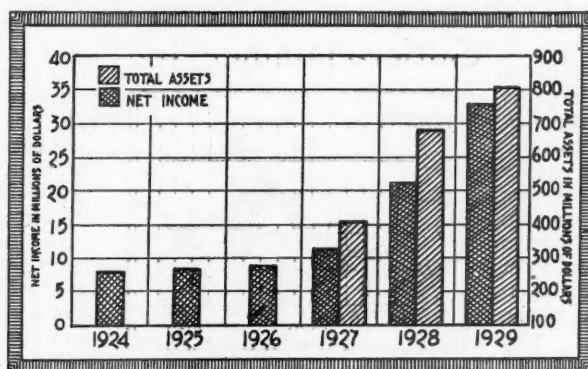
Practically the entire forty-eight years of the United Gas Improvement Co.'s history is a record of growth, but eclipsing anything that has gone before are the developments of the last five years. This is reflected in the increase in the capital stock from \$67,132,800 at the end of 1924 to \$198,169,300 by May 31st, 1929, this latter represented by 3,963,386 shares of \$50 par value common stock. At this time the com-

pany was recapitalized, each \$50 par value stock being exchanged for one-eighth of a share of new \$5 cumulative preferred stock and five shares of new no par common stock. Including additional stock issued during the year, there are outstanding at present 508,120 shares of preferred stock and 22,624,503 shares of common. The split-up of the stock has resulted in making the shares available for the small investor and in a wider distribution, a fact clearly indicated in a

trebling of common stockholders in the period from August 31st, 1929, to February 28th, 1930.

Two forms of income statements are reported for the United Gas Improvement Co., the one for the company as a strictly holding company which it is in fact, and the other a consolidated income statement showing earnings of the subsidiary properties. Concerning this latter report, total operating revenues for the year 1929 were \$102,228,411 of which approximately 75.0% was derived from the sale of electricity, 18.2% from gas, 3.1% from transportation, 2.7% from ice and cold storage and the remaining 1.0% from miscellaneous services such as steam heat and water. Operating income after ordinary operating expenses, maintenance, renewals and replacements, and taxes amounted to \$40,913,007, and adding to this non-operating income, total gross income amounted to \$43,288,535. The year previous, the total gross operating revenues were \$94,022,363 and gross income after all operating expenses equalled \$38,627,359, indicating increases for the year 1929 of 8.2% and 12.2% respectively. Income from investments and profits from other operations in 1929 were \$7,558,380. After subsidiary interest and dividend charges

(Please turn to page 1046)



United holdings are a very definite link for the United Gas Improvement Co. in the Middle West region with the Insull group of utility properties.

Investments of the United Gas Improvement Co. were carried at \$313,019,761 in the balance sheet dated December 31st, 1929. Of this total \$219,408,200 represented holdings of operating subsidiaries, whose property and plant are carried at \$585,232,258. The remainder covered other investments carried at the extremely conservative figure of \$93,611,560, representing cost to the company. The present market prices would be very much higher, the holdings in Public Service Corp. of New Jersey alone at current price of 120 being worth \$216,864,720, while holdings in Commonwealth & Southern and in Niagara Hudson Power are worth approximately \$45,000,000. Since the investments have been carried at cost the unrevealed values back of the United Gas Improvement Co. common stock must be very large.

Engineering and construction activities are handled through a subsidiary, the United Engineers & Constructors, Inc., in which the United Gas Improvement Co. has a 50% stock interest. The outlook for this company is very promising, good size annual increases in business having been shown. In 1929



Profit Possibilities in Stocks Selling Below \$100 a Share

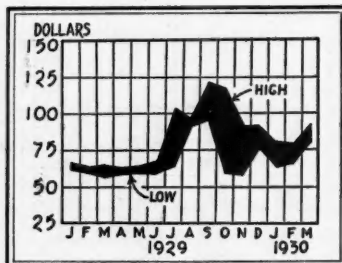
This group of stocks comprises inherently sound issues which appear to be selling below their true value. They fall either in the category of over-looked bargains or stocks which have been unduly depressed, and have failed as yet to reflect the improvement in their current position and the prospects of their industries.

Cutler-Hammer, Inc.

AN increase of more than 86% in net income, logically, gives prominence to any important concern. And the fact that such a showing was made in the electrical industry, to some extent explains it. But such earnings must be part of a record of consistent accomplishment to command permanent attention, and in that respect Cutler-Hammer, Inc., stands the test of analysis.

One of the outstanding specialty manufacturers in the electrical field, this company increased its sales 32% last year, jumping from \$9,340,749 in 1928 to \$12,368,340. Net income of \$2,687,874 was not far from double the \$1,441,218 net of 1928. The per share earnings, based on 275,000 shares of no par common stock outstanding in the last two years, were equal to \$9.77 for last year against \$5.24 in 1928. The present outstanding 330,000 shares, raised by a 20% stock dividend this last January 15th, show a per share earnings basis of \$8.14 and \$4.37 for the past two years respectively.

The present organization was incorporated a little over a year ago, but its predecessors trace their history back over 40 years. By its aggressive policy of diversifying production to cover the wide specialty field of electrical control, it has enlarged its output to include rheostats, resistance units, magnetic clutches, automatic motor starters, speed regula-



tors, elevator controls, cold rolled products, etc.

While sales have fluctuated comparatively little in the six years from 1923 to 1928, the high level being \$10,546,279 in 1926 and the low in 1928, the improvement in operating efficiency has been notable. The profit margin increased nearly 100% in that period. And net profits from last year's operations, before depreciation, were a bit under 25% of sales, compared with

slightly more than 18% in 1928.

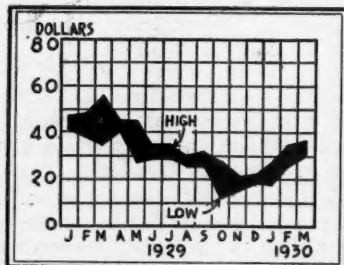
The company increased its working capital nearly \$600,000 last year, to \$4,683,065. Current assets were \$5,644,656, nearly eight times current liabilities. Surplus stood at \$5,373,376, a gain of \$1,644,755. There is no funded debt and neither is there any preferred issue.

The company's leading position in its field furnishes a prospect of more than ordinary attraction and continuation of the uptrend of earnings seems assured. It is likely that the conservative attitude of paying only about 40% of net profits in cash dividends over the past seven years will be broadened materially and that stockholders will not have to wait long for an addition to the current annual rate of \$3.50. The recent price around 87, yielding 4%, falls short of discounting longer term possibilities of income and price appreciation.

U. S. Pipe and Foundry

THE speeding up of public works, due to the national endeavor to overcome the business depression, insofar as it involves chiefly the building of water and sewer mains, is benefiting the U. S. Pipe & Foundry Co. For that reason particularly, as well as for the general pick-up of construction brought about by low money rates, profits for the first six months of this year are likely to show an improvement over previous similar periods. And if the experience

of the past two years, that the last six months yield by far the largest earnings, holds true this year, then 1930 will turn out to be one of the best in the company's history.



Buying of cast iron pipe has increased gradually during the first quarter at better prices and was in excess of orders for the same months of last year; in fact, it was the best since 1927.

With ten plants in the East, Middle West and South, this company has 800,000 tons annual capacity, or about 75% of the possible production in this country and it owns the exclusive right in the United States to the de Lavaud process of centrifugal casting. In the past two years, however, keen competition and price cutting have reduced output to less than 50%. The management aims to concentrate production in a smaller number of plants.

Up to last year, the company's earnings have shown a steady downward tendency since the peak year of 1924 when net income reached \$6,449,000. The 1928 net was \$1,812,227, equal to \$1.46 per share on 600,000 shares of \$20 par common. The 1929 profits turned the trend upward with a showing of \$2,581,229, equal to \$2.74 a share on the same basis.

The first six months of last year showed net income of \$826,318, equal to 60 cents a share. Present indications lead to the expectation that this figure will be substantially increased. The last half of 1929 showed, of course, \$2.14 a share. If the improvement continues in accordance with the outlook, the total earnings should take a decided jump. Furthermore, there is a possibility that the 180,000 shares of no par second preferred stock, carrying cumulative divi-

dends of \$1.20, may be retired this year. This would require \$3,780,000 and would save an annual dividend outlay of \$216,000, equal to 36 cents a share on the common.

The strong financial position of the company would fully warrant the preferred retirement. At the end of last year, total current assets of \$20,308,873 included \$13,387,092 cash and marketable securities and were more than 12½ times current liabilities, while net working capital stood at \$18,703,199.

The \$2 annual dividend on the common has been declared for the entire 1930 year which is equivalent to a \$10 dividend on the old common before it was split 5 for 1 late in 1928. The recent price on the New York Stock Exchange around 37 yields 5.4%. It is far from discounting its reasonable market value based on prospective earnings

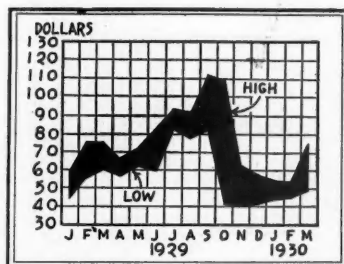
United Carbon

THE comparatively recent intense acceleration in the use of natural gas as a fuel, brought about mainly by the construction of long pipe lines to connect the large consuming centers with the distant sources, has brought the United Carbon Co. somewhat unexpectedly into a new field of profit. This company has a vast acreage holding untold reserves of this potential fuel in the Louisiana, Arkansas, Texas, Utah and Wyoming areas.

Originally incorporated more than five years ago as a consolidation of 15 companies producing mostly carbon black, now used in a large way in the manufacture of tires, inks and paints, the company is now the second largest producer of that commodity. The growing importance of natural gas, however, is tending to dominate its carbon black activities.

This development is quite opportune in more ways than one. For not only has the carbon black end of the business been the poorest in many years, particularly during the first quarter of this year, when the price dropped to five cents a pound compared with seven cents a year ago, but tire manufacturers who use about 70% of the total carbon black output have lowered their operating schedules. The profits from natural gas, however, are wider. The company increased its acreage last year until it held a total controlled area of more than 151,000 acres at the end of last December.

Two offerings of common stock at \$50 a share to the stockholders last year brought the outstanding common to



393,073 shares and enabled the company not only to retire the entire outstanding bonded indebtedness but to increase its investment in the securities of the Mississippi River Fuel Corp. By contracts with this company to supply its pipe line to St. Louis and with various other lines including those to Memphis, Shreveport, Houston and Birmingham, United Carbon was recently delivering 60,000,000 cubic feet of natural gas daily.

The 1929 net income of \$970,127 was equal to \$1.94 a share on the no par common, compared with \$849,670, equal to \$1.99 a share on only 212,564 shares of common in 1928. These figures are on a participating basis with the preferred stock of which only 27,055 shares are outstanding. Retirement of the preferred is looked for.

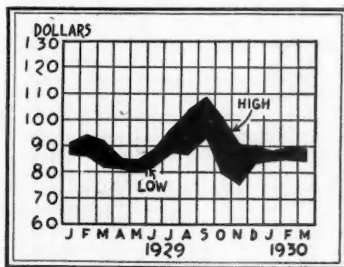
Net working capital was nearly doubled last year to slightly more than 5 millions. Current assets of \$6,056,399 were nearly six times current liabilities. Profit and loss surplus was \$1,791,141.

The initiation of dividends on the common this year placed the annual rate at \$2. The recent price around 79 affords a yield of 2.5%. While this price level appears unreasonably high, especially in view of the sharp drop in earnings for the first quarter of this year, the tremendous potential earning power represented by the company's vast gas reserves and their tie-up with the entire development of natural gas as a national fuel, places the stock in a new category wherein it may be considered as comparatively moderately priced, and especially attractive on any market dips.

Chicago and Northwestern Railway

OUT of the foreclosure of a road only 177 miles in length about 71 years ago, the Chicago & Northwestern Railway Co. has grown to the present system of about 10,200 miles of road, including its 93% owned Chicago, St. Paul, Minneapolis & Omaha. This aggregate network now extends from Chicago throughout the State of Wisconsin and to Duluth; across the States of Minnesota and South Dakota, Iowa, Nebraska and Wyoming to Lander in that State.

Through connection to the Pacific Coast is made at Omaha with the Union Pacific, in which road the company



owns \$4,171,500 of preferred stock. Under the Interstate Commerce Commission plan of consolidation, the C. & N. W. heads System No. 11, and thus may gain an outlet to the Gulf by being tied with the Chicago & Eastern Illinois and the Mobile & Ohio, terminating at Mobile.

Always maintaining its properties in top-notch condition, the road has been generally recognized as one of the most prosperous in this country. Large deficits in the years 1920 and 1921, following Federal control, were quickly replaced by substantial earnings which culminated in a post-war high record last year of \$15,599,056,

equal to \$8.43 a share on 1,584,387 shares of common and comparing with \$12,058,591, equal to \$6.62 a share on 1,584,449 shares at the end of 1928.

Chicago & Northwestern fared better than the other five leading roads of the Northwest insofar as the reports for the first two months of this year showed that its gross was down only 6.6% and net was but 18% less than for the same period of 1929. Thus, net operating income of \$1,488,057 dropped \$321,630. This system's territory was not so hard hit by the drought and furthermore, while agricultural products make up one-third of its freight traffic, mining products make up nearly half and manufactures and miscellaneous tonnage are steadily expanding their proportion. Operating ratio is being steadily improved.

The company's financial position is strong, with funded

debt at \$396,682,000, including \$72,335,000 convertible 4½% bonds issued last November to meet obligations due then and this coming June. Last year's surplus was slightly above \$6,900,000 while the total profit and loss surplus amounted to more than \$78,000,000. An unbroken dividend record of more than half a century, while fluctuating in amounts, is again on an uptrend with the current rate on the common on a \$5 basis, advanced from \$4 paid semi-annually and 50 cents extra last year.

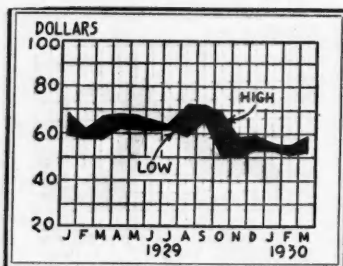
Whatever may be this year's gain in profits, it will go to the common until payments on that issue equal the preferred's \$7. The earnings outlook, involving probable extra dividends, as well as the vista of consolidation, lends substantial attraction to the common around its recent level of 85 where it yields 5.9%.

Texas Corp.

NOT a State in the Union but that is served by the Texas Corp. Long classed as the largest of the so-called independent oil companies, it has so extended its organization as to become the only one to have nation-wide distribution—including 40,000 retail units. Being a complete combination—producing, refining, marketing—the corporation has been well buttressed to overcome adverse conditions in the oil industry and its earnings have shown consistent growth.

Drawing most of its 50.4 million barrels of crude oil production last year from its own domestic properties, it has also a producing subsidiary in Mexico and concessions in Colombia and Venezuela: it purchased besides more than 37 million barrels. At the close of last year it had 6,872 producing wells, only 140 more than at the end of 1928, and is drilling only enough new wells to protect its existing production.

In the way of expansion during the last two years, the Galena-Signal Oil Co.'s properties were purchased, a contract was closed with the Louisiana Land & Exploration Co. to develop more than 1,800,000 acres of southern Louisiana, and the California Petroleum Corp., a large Pacific Coast unit, was acquired. Last October \$100,000,000 15-year 5% convertible debentures were sold to provide funds for expanding all branches of the business. Plans are being actively pushed in connection with the development of large natural gas resources in the Texas Panhandle, co-operating with Phillips Petroleum, Skelly Oil and Columbian Carbon to extend pipe lines to various consuming centers including Chicago. Additional refineries are also contemplated, as well as additional tank car equipment, the



company now operating 6,841 cars.

Storage tank capacity was increased nearly 11.6 million barrels last year to 97,643,599 barrels. New pipe lines were placed in service, adding around 95,000 barrels a day to those facilities. The company's foreign marketing organization is also rapidly expanding.

Excepting 1927, when all companies suffered from the oil industry's depression, the company has a formidable earnings record. Last year's net income was

\$48,318,072 after all charges, equal to \$5.12 a share on 9,433,164 shares of \$25 par capital stock outstanding on the average during the year, and to \$4.90 a share on the 9,850,050 shares at the end of the year. These figures compare with 1928 income of \$45,073,879, equal to \$5.56 on 8,107,763 and \$5.34 on 8,443,354 shares respectively.

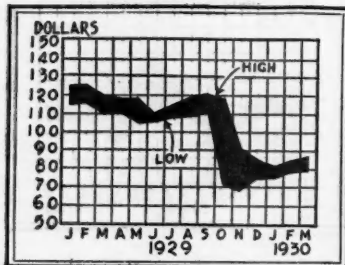
Total assets at the end of last year were \$609,853,084 and earned surplus amounted to \$150,710,975, compared with \$461,818,363 and \$131,247,826 respectively at the end of 1928. Current assets at the close of 1929 totaled \$271,705,127 including \$77,653,896 cash and marketable securities, and were nearly seven times current liabilities, while net working capital was more than 232 millions. The company's and subsidiary funded debt was \$124,469,813.

The current \$3 annual rate runs back to 1920. Stock dividends of 10% were paid in 1921 and 1927. The recent price around 59 yields nearly 5.1%. The stock appears reasonably priced considering the favorable outlook for the oil industry as the result of successful endeavors to curtail crude and gasoline production, although the debenture conversion level of 70 fixed up to October 1st next, may have a tendency to retard higher market price appreciation until after that date.

Drug, Inc.

STILL pursuing its policy of acquisition, Drug, Inc., expects to build up its sales volume to around 170 millions by the end of this year. To its 1929 addition of Life Savers, Inc., Three-in-One Oil and Bristol-Myers, there was annexed recently Household Products, Inc., by stock exchange for 73% of the latter's capital stock, the balance having already been held by Drug's wholly owned subsidiary, Sterling Products, Inc.

And now there are indications that the Vick Chemical Co. may be the next to join the Drug family. If reported



negotiations for exchanging 456,000 shares of the latter for the former's 800,000 outstanding shares should be consummated, Drug would acquire an estimated annual earning power equal to \$7 a share on its purchase stock.

Drug, Inc., showed consolidated net income last year of \$17,013,543, after interest, depreciation and taxes, equal to \$6.90 a share on the average no par capital shares outstanding during 1929.

The 1928 net, on the same basis, amounted to \$12,797,870, or \$5.86 a share. On the 2,678,713 shares outstanding at the end of last year the per share

earnings were \$6.35 compared with \$5.50 on a smaller capitalization at the close of 1928.

The company's profits from the properties owned and operated throughout the last two years showed a gain of 18%. The earnings from the newly acquired companies were included in the annual report as from the time of purchase. The full effect, therefore, of the company's continuous expansion yet remains to be seen. Unquestionably a substantial increase in profits may be expected, although the first quarter of this year has shown a drop in earnings from the medicinal divisions, while closely allied products are about on a par with last year's sales.

Although the company is already the largest manufacturer of proprietary and medicinal products in the world and operates through subsidiaries the largest chain of drug stores, including the 600 Liggett's stores, 10,000 Rexall stockholder agencies and 860 stores of Boots Pure Drug Co., Ltd., in Great Britain, it has further expansion in the offing. Future acquisition is likely to lean more to the distribution end, similar to the 110 Owl stores and 1,000 licensed agencies with aggregate sales of close to \$20,000,000 taken over last year.

The production end of the company's business has heretofore accounted for about 80% of the total earnings. All subsidiaries are reported to be running on full time operating schedules. The widely diversified line of advertised articles includes Cascarets, Aspirin, Castoria, Sal Hepatica, Ipana, etc. There are also some 6,000 standard pharmaceutical products as well as various food specialties, perfumes, candy, soda fountain supplies and rubber articles.

There are at present outstanding 3,154,428 of the authorized 5,000,000 shares of capital stock, there being no preferred issue. Funded debt, entirely of subsidiaries, is slightly above 44.9 millions. Current assets at the end of 1929 were \$49,279,414 including \$13,280,983 in cash, and were more than six times current liabilities. Net working capital of \$41,233,993 was more than 5 millions ahead of the prior year. Investments in stocks of other companies were carried at nearly 39 millions, considered as conservative in view of the current market value of around \$32,000,000 for its holdings in Boots Pure Drug and the market value of about \$8,700,000 for its Household Products stock before the merger.

The company's dominant position, wide diversity of production and business, and active expansion in prospect, are not fully discounted by the recent price around 82, which affords a yield of 4.9% on the annual \$4 rate.

Preferred Stock Guide

NOTE: The following preferred stocks are listed solely in accordance with the current yield on each. The sequence of Guide, therefore, does not indicate a preference for one issue over any of the others. Readers should observe a proper diversification of commitments in making their selections from this list.

Railroads

	Div. Rate \$ per Share	—Earned \$ per Share—			Redeem- able	Recent Price	Yield %
		1926	1927	1928			
Norfolk & Western	4 (N)	160.88	133.40	133.73	No	85	4.7
Union Pacific	4 (N)	41.17	39.85	46.32	No	85	4.7
Atchafalpa, Top. & S. Fe.	5 (N)	48.83	40.47	40.21	No	105	4.8
Baltimore & Ohio	4 (N)	48.41	38.44	49.44	No	82	4.9
Southern Railway	5 (N)	39.33	38.17	32.11	100	99	5.1
Pere Marquette Prior	5 (O)	68.77	64.08	75.60	100	99	5.1
Colorado & Southern 1st.	4 (N)	52.66	37.76	49.45	No	76	5.3
N. Y., Chicago & St. Louis ..	6 (O)	24.65	20.31	17.68	110	110	5.5
N. Y., New Haven & Hart.	7 (O)	....	22.05	34.40	115	126	5.6
St. Louis Southwestern	5 (N)	12.00	9.30	8.84	No	90	5.6
Wabash "A"	5 (N)	11.86	6.87	9.24	110	88	5.7
Kansas City Southern	4 (N)	10.88	9.04	14.01	No	69	5.8
Colorado & Southern 2nd.	4 (N)	48.50	35.76	45.46	No	68	5.9
**St. Louis, San Francisco.	6 (N)	16.12	15.28	17.44	115	100	6.0
Missouri, Kans. & Tex.	7 (O)	....	13.06	16.34	110	108	6.5

Public Utilities

Public Service of New Jersey	5 (O)	\$21.46	\$16.28	20.92	No	155	5.3
Columbia Gas & Electric "A"	6 (O)	27.81	25.42	30.75	110	109	5.6
Philadelphia Co.	3 (O)	24.20	28.06	21.75	No	54	5.6
American Water Works & El.	6 (O)	22.63	24.30	31.05	110	104	5.8
Standard Gas & Electric.	4 (O)	20.00	18.76	14.07	No	66	6.1
Federal Light & Traction.	6 (O)	41.52	39.67	49.93	100	95	6.3
Electric Power & Light.	7 (O)	13.83	16.21	17.00	110	110	6.4
Hudson & Man. R. R. Conv.	5 (N)	40.32	40.70	37.02	No	78	6.4
Continental Gas & Elec. Prior	7 (O)	16.41	20.46	24.45	110	103	6.8
Postal Tel. & Cable.	7 (N)	....	....	7.19	110	102	6.9
Amer. & Foreign Pow. 2nd.	7 (O)	8.89	3.58	5.33	105	98	7.1

Industrials

Bethlehem Steel Corp.	7 (O)	20.84	16.32	19.16	No	131	5.3
Case (J. I.) Thresh. Mach.	7 (O)	29.39	38.45	32.59	No	126	5.5
Deere & Co.	7 (O)	23.22	25.74	29.52	No	122	5.7
Mathieson Alkali Works.	7 (O)	67.86	74.06	84.50	No	122	5.8
Stand. Brands, Inc., Cum. A.	7	....	125.34*	123.40*	120	119	5.9
Brown Shoe	7 (O)	29.69	44.12	35.27	120	118	5.9
General Cigar	7 (O)	61.26	67.32	62.81	No	118	5.9
Crucible Steel	7 (O)	26.19	22.47	22.54	No	116	6.0
Radio Corp. of Amer. "B"	5 (O)	....	....	5.36*	100	83	6.0
Bush Terminal Buildings	7 (O)	+	+	+	120	115	6.1
Baldwin Locomotive	7 (O)	29.42	12.21	1.65	125	114	6.1
Bucyrus-Erie	7 (O)	....	....	39.34	120	112	6.3
American Locomotive	7 (O)	20.88	16.80	10.83	No	109	6.4
Associated Dry Goods 1st.	6 (O)	27.67	24.10	24.55	No	94	6.4
General Cable Co.	7 (O)	27.69	25.72	25.92	110	103	6.5
Bush Terminal Debentures.	7 (O)	16.81	18.88	20.55	115	108	6.5
International Silver	7 (O)	24.39	30.82	27.43	No	108	6.5
American Sugar	7 (O)	14.06	7.97	14.60	No	103	6.5
Commerce Investm. Trust 1st. 6 1/4 (O)		27.72	24.36	45.50	110	100	6.5
Glidden Co. Prior	7 (O)	23.91	22.69	22.69	105	104	6.7
U. S. Smelting, Ref. Mining. 3.5 (O)		6.25	6.28	8.43	No	51	6.8
Goodrich (B. F.) Co.	7 (O)	13.96	39.19	10.36	125	103	6.8
Spicer Mfg. conv.	3	58.54	74.42	26.00	87 1/2	44	6.8
Goodyear Tire & Rubber.	7 (O)	11.83	13.90	18.90	110	101	6.9
Tidewater Asso. Oil conv.	6 (O)	13.35	7.85	19.49	105	86	7.0
Otis Steel Prior.	7 (O)	16.36	11.80	22.68	110	97	7.3

O—Cumulative. N—Non-cumulative. * Earned on all pfd. stocks. † Guaranteed unconditionally by Bush Terminal Co. ** Adjusted to basis of present stock. * Six months ended June 30, 1929.

Two Machinery Leaders in Strong Investment Position

Prospects of Sustained Trade—Possible
Stock Dividends—Rising Earning Trend

By C. HAMILTON OWEN

DEPENDING as it does upon the steady flow of orders from other industries, the manufacture of machinery and plant equipment occupies what might be termed an auxiliary position in our industrial structure. This fact, however, has not prevented the industry from achieving a considerable element of importance and the distribution of demand for its production among a large group of consumers is a feature of fundamental strength, imparting a desirable measure of stability and diversity to the operations of the majority of affiliated companies.

Last year machinery manufacturers did a larger volume of business than at any time since the cessation of the war and the short period thereafter, and despite the fact that the sharp recession in industrial activity which occurred during the last quarter had the effect of substantially depleting the large volume of unfilled orders built up in the previous months, as well as reducing new inquiries, the industry as a whole entered the current year in a relatively strong position. On the strength of the present outlook, it seems reasonable to conclude that the industry will enjoy a volume of business this year which in the aggregate will afford a favorably comparison with 1929, all things considered.

It is unlikely, however, that the earnings of those companies turning out the more specialized types of machinery and equipment and catering to those industries which are con-

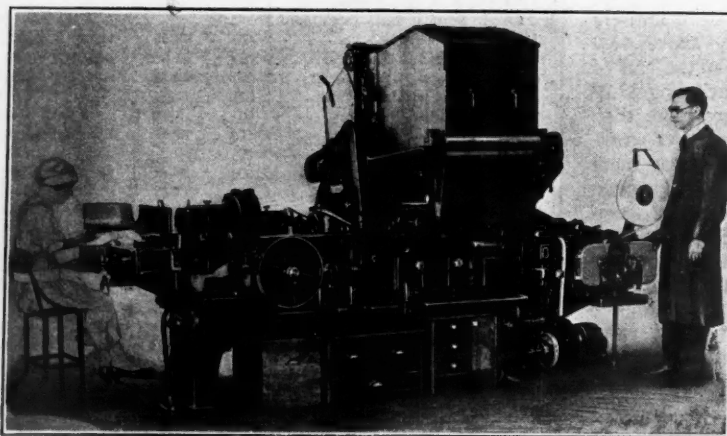
fronted with the prospect of reduced output and earnings, will approach the record levels of last year. Current business conditions have effected a shift in the sources of demand for machinery equipment, and while this situation will adversely affect the operations of some companies it will be of material benefit to others. Representative of the latter groups are American Machine & Foundry Co., and Ingersoll-Rand Co., both of which enterprises have a diversified output but specialized by types of manufacturing equipment for which a vigorous demand appears likely to be maintained.

American Machine & Foundry

American Machine and Foundry's claim to distinction lies in the fact that it supplies the necessary machinery for the manufacture of 98% of all cigarettes produced in this country and all

of the equipment used in the production of machine-made cigars. In these two fields, the company holds a practical monopoly and has in the natural course of events profited substantially as a result of the pronounced increase in the consumption of cigarettes and the trend toward the manufacture of cigars by machinery. The company's scope, however, is not limited to the tobacco industry. In addition to cigar and cigarette machinery, output includes various mechanical devices designed to promote efficiency and increase the production of paper, lithographic products and printing. A number of labor saving machines for candy wrapping, bread mixing and baking and bottle capping are also produced. One of the company's most recent developments and one which bids fair to further expand profits, is a metallic material for soldering cans, etc. Thus, not only does the company enjoy a strategic relationship with a major industry but is prominently represented in other fields as well.

Prior to 1912, the company was a wholly owned subsidiary of the American Tobacco Co., but in that year its holdings were distributed to stockholders of the latter company and this event marked the extension of the company's activities into other fields. During the period of the aforementioned control certain financial arrangements between American Machine & Foundry and the parent company resulted in the acquisition by



Courtesy, American Machine & Foundry Co.

The type of modern cigarette making machine in use in a majority of leading tobacco factories

the former company of a substantial stock interest in the International Cigar Machinery Co., and the Standard Tobacco Stemmer Co., and at the present time the company owns all but a small amount of the outstanding stock of the latter enterprise and 65% of the stock capitalization of the International Cigar Machinery Co. Other subsidiary units include the American Machine & Foundry Co., Ltd., the foreign selling and servicing company, the Brooklyn Mill Supply Co., handling the purchase of raw materials and owning a majority interest in the Lakewest Corp., which engages in the manufacture of automatic bottle capping machines, and in 1929 control of the American Oven & Machinery was acquired.

Capitalization consists of a modest funded debt amounting to \$1,542,000, 20,000 shares of 7% preferred stock (\$100 par) and 200,000 shares of no par common stock on which dividends are currently being paid at the annual rate of \$7, having been increased early this year from the former regular rate of \$4.

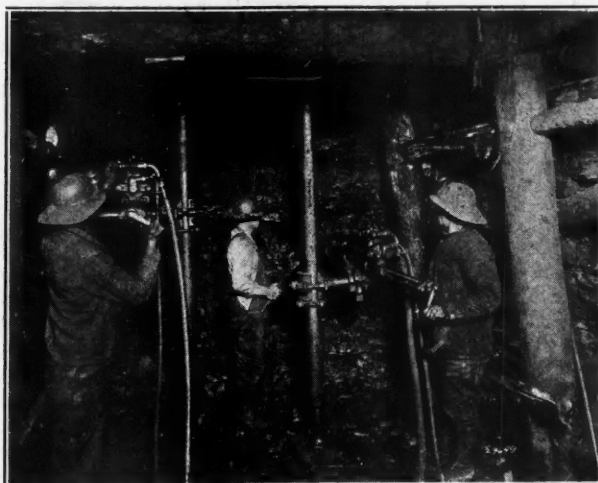
The action of the company in nearly doubling the established dividend rate resulted from the consistent gain in earnings during the past several years, a trend which was emphasized by an increase in per share earnings of more than 75% in 1929. After allowing for all charges, including interest, depreciation, and taxes and dividends on the preferred stock, profits last year were equivalent to \$12.10 per share on the common stock, as contrasted with \$6.56 per share for the previous year and \$7.11 in 1927. Reported earnings for 1929 include total dividends of \$6 per share on the investment in the International Cigar Machinery Co., but in addition there remained an equity in the undistributed profits of the latter company equivalent to 42 cents per share of American Machine & Foundry common stock.

Conservative Accounting Methods

The balance sheet as of December 31st, 1929, discloses a sound financial structure with current assets showing a ratio to current liabilities of about 12 to 1. Working capital totaled \$5,633,594 and the company was without bank debt. The policy of carrying patents at the nominal figure of \$1 is in accordance with conservative accounting practices but this item is of

unquestionable value and largely responsible for the company's well entrenched position in its field.

Under the present arrangement, the International Cigar Machinery Co. functions in the capacity of selling agent for various types of cigar machinery and American Machine han-



Courtesy, Ingersoll-Rand Co.

Modern mining equipment in use in the production of iron ore

dles the manufacturing end. These machines are never sold but are leased to manufacturers who in addition to paying royalties of \$1 per 1,000 cigars produced, assume responsibility for their upkeep, etc. At the close of the year International is reported to have had over 3,500 cigar making and nearly 400 foil wrapping machines in operation. Moreover, orders on hand indicate that new installations during 1930 will be substantially in excess of last year. Lower production costs have enabled manufacturers to improve the quality of 5-cent cigars and this has been a powerful stimulant to demand. All contracts for the use of these machines extend for the life of the patents. Cigarette machinery, on the other hand, is sold outright. The company, however, keeps this market alive and active by continually improving the capacity and efficiency of cigarette manufacturing and wrapping machines and has recently introduced a new model reported to be the fastest machine in the world for its purpose and will count, weigh, pack, seal and affix a cancelled revenue stamp to the package, at the rate of one million cigarettes daily.

Strong Position of Common Stock

It is practically a foregone conclusion that the production and sale of cigarettes will again establish a new high

record in the current year and it is reasonable to assume that cigar production will compare favorably with that for 1929, both of which potentialities augur well for American Machine & Foundry. Also, the management is apparently committed to a policy of expansion along lines designed to further

broadened the company's already well diversified output and on the whole the situation shapes up in a manner presaging continuance of the upward trend in profits. In addition the large balance sheet surplus suggests the possibility of a stock dividend at some future date.

The common stock has sold as high as 268½ this year and is now selling at levels around 250, at which figure the shares yield but 2.80%. However, in view of the substantial margin between dividends and earning power, the likelihood of increased or extra dividend payments is given considerable weight. Due to the relatively small amount of common stock outstanding the shares move

marketwise over a rather wide range and for this reason commitments might be more advantageously made during reactionary sessions. Purchased with a view to exercising reasonable patience, the shares would seem to combine attractive elements which should ultimately be reflected favorably in their market value.

Ingersoll-Rand

Ranking as one of the leading units in its field, the Ingersoll-Rand Co. has an impressive record of profitable operations to its credit. Earnings over a long period of years have mounted steadily with but infrequent interruptions due to abnormal conditions, and shareholders have been liberally rewarded by cash dividends supplemented from time to time by stock distributions. In this instance also, confidence is inspired in the company's ability to successively maintain a satisfactory rate of activity during a period of general hesitation in business such as now exists, by virtue of its well diversified output, customers for which include such major industries as oil, building, railroad and mining.

Included among the company's principal products are air and gas compressors, rock drills, oil and gas engines, pumps, condensers, pneumatic

(Please turn to page 1052)



Market Indicators

For Profit

Helping the Census Takers

The Government's decennial task of counting the country's noses will be facilitated this year by tabulating machines supplied by the International Business Machines Co. This company manufactures an essential line of office and store devices such as time clocks, scales, grinders, slicing machines, etc., and these products, most of which were originally developed by the company, are sold throughout the world. The steady growth in the scope of its activities and diversity of output has been accompanied by a similar expansion in earnings, profits last year amounting to \$11.03 per share on the 607,576 shares of common stock outstanding, an increase of 25% over 1928 profits. Dividends were increased last year from \$5 to \$6 a share and in each of the past two years a stock dividend of 5% was distributed to shareholders. The company's field offers an abundance of opportunities for future growth and such sales recession as may be experienced this year is likely to be of a moderate and temporary nature.

* * *

High and Low Yielding Stocks

It is an interesting paradox to find that the recognized market leaders among common stocks are almost without exception issues which offer little inducement in the way of current income return while those issues which afford a high yield have as a group displayed inferior market action. The explanation is not hard to find. Investors are willing to pay something of a premium and forego immediate income inducements for such issues as United States Steel, General Electric, Union Carbide and Consolidated Gas because these companies have practically unlimited opportunities for sustained growth and stockholders are assured of increasingly larger dividends in the future, to say nothing of valuable subscription privileges, split-ups and stock dividends. The same degree of assurance is lacking in the high yielding

stocks for more often than otherwise it is found that the higher the yield, the greater the risk.

* * *

Commonwealth & Southern Preferred

Selling to yield 6%, the \$6 series preferred stock of the Commonwealth & Southern Corp., merits the attention of those investors to whom current income is a prime consideration. The enterprise functions as a holding company controlling an important group of public utility operating properties furnishing power and light and other utility services to more than 1,950 cities and towns. Consolidated earnings applicable to dividends on the preferred stock are currently sufficient to meet requirements better than four times and the present market value of the company's common stock and option warrants constitutes a junior equity of more than \$600,000,000.

* * *

Bethlehem Steel

It has been officially estimated that Bethlehem Steel will show earnings for the first quarter of 1930 equivalent to about \$2.50 per share on the 3,200,000 shares of common stock now outstanding. Operations during the first three months are reported to have averaged better than 80% of capacity and new orders are being booked at an encouraging volume. While it is somewhat early to forecast the full year's results, undoubtedly dividends of \$6 per share on the common stock will be adequately covered. Yielding more than 5½%, the shares combine the merits of an equity in an aggressively managed and strongly situated company with an attractive income return.

* * *

Natural Gas

Hardly a week passes that doesn't bring news of important happenings in the natural gas industry. Recently it

was announced that a group of prominent companies will undertake the delivery of natural gas from the Texas fields to the City of Chicago. The companies involved, including Texas Corp., Phillips Petroleum, Cities Service, Standard Oil of New Jersey and Columbian Carbon, control a natural gas reserve sufficient to fulfill Chicago's needs for 90 years, on the basis of last year's consumption.

* * *

American Bank Note

The common stock of American Bank Note qualifies as an investment of considerable merit. Engaged in printing and engraving a large majority of the bonds and stocks issued in this country, in addition to doing a lucrative business in paper currency, revenue stamps and commercial lithographing, the company's record of earnings has been remarkably stable and profitable. Dividends have been paid to common stockholders without interruption since 1906 and on the basis of the present rate of \$2 annually plus an extra of \$1, the shares yield over 3.2% at prevailing quotations around 92. The heavy volume of bond financing this year has undoubtedly contributed substantially to the earnings of American Bank Note and an increasing volume of foreign business indicates a promising field for future growth.

* * *

An Unique Celebration

George K. Eastman, founder of the Eastman Kodak Co., plans to celebrate the fiftieth anniversary of his first photographic patent by giving away 500,000 box cameras equipped with a single roll of film to children reaching their twelfth birthday this year. This is an excellent idea from the standpoint of everyone concerned. A whole lot of boys and girls are going to be mightily pleased and Mr. Eastman, who frankly admits that the age of twelve is an ideal time for a child to develop a hobby, will sell a lot of film

and Income



and cameras to these youngsters as they grow older. Incidentally, the shares of Eastman Kodak have been one of the leading specialty issues this year and it is reported that their market destinies are in the hands of one of the strongest financial groups.

* * *

Norfolk & Western

Last year Norfolk & Western reduced its operating ratio to 56.2%, which is the lowest in the history of the road as well as one of the lowest for all railroads. Net income exceeded the previous high record established in 1926 and was equivalent to \$29.05 per share on the common stock. Dividends were increased to \$10 per share annually, comparing with the former rate of \$8, although total disbursements last year including extras amounted to \$12. Currently quoted under 260, the common stock is selling less than ten times 1929 earnings, a condition which hardly seems warranted by the past record of the road, its exceptionally strong financial position and important merger prospects.

* * *

Higher Gasoline Prices

The Standard Oil Company of New York recently took the lead in advancing gasoline prices. An increase of one cent per gallon ushered in the approaching season of heavy consumption and was the first advance in gasoline prices along the Atlantic seaboard in many months. This action would also seem to indicate that the price war which was waged last year by the large distributors has been abandoned for the time being at least. An unusual slant on the possible effect of unemployment and business recession on the current consumption of gasoline is found in the remarks of a well known oil man who stated that large hordes of the jobless are taking advantage of their "vacation" to travel around the country in their automobiles and consequently, using more gasoline than normally when

their time was occupied in an office or factory. Interesting, if true.

* * *

A High Grade Bond

Holding a first and general mortgage on all of the electric light and power as well as gas and traction properties of the company and ranking senior to \$17,586,500 additional funded debt, the New Orleans Public Service 1st and Refunding 5's 1955 are entitled to a sound investment rating. Normal earnings of the company cover interest charges by a wide margin, although a temporary decline in income was experienced last year due to labor difficulties. Quoted around 90 the issue yields 5.75% to maturity.

* * *

Seasonal Opportunity

As one of the largest distributors of ice cream and dairy products in the country, National Dairy Products Co. naturally experiences its heaviest sales volume during the summer months and with the approach of warm weather the shares in the past have displayed increasing activity and strength. The company's record has been one of rapid expansion with sales gaining accordingly. Net income last year was 31% higher than in 1928, being equal to \$4.04 per share on the outstanding common stock, and it has been officially stated that neither sales nor earnings have suffered any diminution thus far in 1930. At the present time the shares pay dividends at the annual rate of \$2 in cash plus 4% in stock and are currently quoted around 55.

* * *

A Corporate Family

To paraphrase the familiar song hit, "two hundred thousand stockholders can't be wrong." At the present time General Motors has nearly that many shareholders listed on its books, many of which purchased their stock during and subsequent to the October break.

The company's income account may reflect the shifting tides of the automobile industry but in the long run its dominant position and many outside interests are bound to fatten the bank account of patient stockholders.

* * *

Warner Bros.-Brunswick Deal

Warner Bros. Pictures Co., Inc., was the first of the motion picture companies to successfully introduce talking features. Since then the company has pursued a vigorous campaign of expansion and production, enabling it to maintain a leading position in the industry and at the present time operates nearly 400 theatres and controls ten music publishing firms. The acquisition of the record, radio and phonograph business of the Brunswick-Balke-Collender Co., is the company's latest move in solidifying its organization and the importance of this development is emphasized by the fact that it will give Warner Bros., control of the Vitavox, a sound-on-film device. At the present time, patents for the company's talking film device, the Vitaphone, are held by the Western Electric Co., to which large royalties are paid for its use. The shares recently hit a new high level and it has been rumored that the duPont interests have purchased large blocks of stock.

* * *

World-Wide Business

There are few companies able to boast the extensive ramifications of Kreuger & Toll. The company is believed to control the Swedish Match Co., which in turn owns practically all of the common stock of International Match. Last year earnings of Kreuger & Toll registered an increase of 38% over 1928 and were equivalent to \$3.87 for each American certificate, which at the present time pay an annual dividend of \$1.34. Subject to shareholders approval, however, the rate will be raised to \$1.61. Present levels around 35 seem rather modest appraisal of the company's importance and prospects.

Building Your Future Income

An Informative Department
On Estate Building



HOME-MAK-
ING is still
the first in-

The First Industry

dustry in the United States. There are more than a hundred million Americans busily engaged in this business of home-making at this minute. They are earning money to finance the project and to build and expand the institution of the home as their primary activity in life. All other industries in one way or another are associated with this foremost American industry and are both supporting it and in turn being supported by home-making.

Like every other project, home-making has many different standards and varying degrees of success among the hundreds of thousands of individual units. The millionaire establishes his home on a luxurious scale. But the project is never finished and ever continues to be the primary object of the home builder. The widowed mother with a meager income and lusty children to protect within her home is just as much preoccupied with the same activity on a more modest scale. Between both extremes of the humble hovel that is the home of the poverty stricken family and the several hundred acre estate that is the home of the banker's family are thousands of variations of home life and financial success. Each home in its own way is a unit in this universal and foremost industry. Each home-maker in his own way is struggling to make his unit larger, happier, healthier and wealthier.

There is hardly an industry in the country that is not affected in some way by either the success or the failure of these individual home-making units. The agricultural industry furnishes the food. The building industry furnishes the shelter. Then there is the clothing, furnishings, decorations, transportation, education and recreation of the home and the home-makers to be provided. This consumption by the home-making industry contributes to the corporate earnings of our large industrial corporations and utility companies as it does to the country store keeper and the family doctor.

No enterprise is likely to flourish that is not managed on a systematic common sense basis. The home must be financed like other industries of the community must be financed. Its expenditures must be properly regulated so that the income that supports the home will be spent with the greatest efficiency and the most satisfactory results. Consequently, those American home-makers who are putting their primary occupation on a businesslike basis are getting the best results, not merely in the material comforts of their home but in the fuller advantages in spiritual growth and happiness of those who are within the shelter of the home unit that result from good management. It is not enough for America to be efficient in its factories and industries. We must also be efficient in the home.

Budgeting One's Way to Financial Independence

The moral of this story is that one must make the most of every opportunity in order to succeed in attaining financial independence. The author always followed this principle and by using several different investment mediums enjoyed a broad measure of success.

By E. V. COBERTH

THE largest estates in the world were attained by those who began by making the most of opportunities around them. That is the principle I have tried to follow in my estate building. Of course the road has not been smooth all the way; it has had its bumps and obstacles. Nevertheless, I have managed to survive them and keep my chin up.

Perhaps you're wondering when and how I got started in this estate building. Well, I shall try to tell you. My mother saw to it, when I was an infant, to start a savings account for me so I just grew up with the idea of saving a portion of my pennies. My next step in estate building was buying thrift stamps, then War Saving Stamps and Liberty Bonds. Then as the war saving stamps and liberty bonds began to mature I decided to invest in a short term bond.

Of course, I had to take nearly all the cash from my savings account to meet the price of the bond. Then when I had accumulated a little more cash I bought a few shares of stock. Now all this happened prior to 1924 while I was still going to school and working too. If it had not been for the war I probably would not have ventured into the business world until I had completed my schooling. The war altered the plans of many—myself included.

It was about 1924 I believe when my bond matured and I was beginning to wonder where I was going to place that cash when my father, a real estate man, came across a bargain and got me interested. I decided to buy an equity in the property. The result was that after a couple of years, the property, being in a commercial zone, came into demand and I was able to sell at a nice profit. Then I had most of my cash again in my hands so I decided to buy some first mortgage certificates until another opportunity came my way.

About eighteen months after my first real estate venture I encountered another opportunity to pick up a bargain. I looked the proposition over and decided to plunge most of my capital into it. So far I have been fortunate and have been receiving a good return on my equity investment. I am still buying first mortgage certificates and using the savings bank and building and loan association to keep my surplus cash.

And now, a few words about my savings program. I really have no particular system of saving. I live within my income. In other words I never buy more than I can see my way clear to pay for. I retain that natural born instinct to lay aside something each month no matter how small.

At the rate I am going I hope to accumulate sufficient capital to give me an income to enable me to live comfortably and to be able to travel.

My estate building does not constitute investments in money matters alone but also comprises investments in many other interests. I am fond of reading so have spent quite a bit accumulating a library that gives me the greatest pleasure and satisfaction. I like the outdoors so I have a motor car and make trips into the country. I think travelling just great and have travelled just enough to give myself an insatiable desire to see and travel more. I take an interest in life and in people.

My life has not been all smooth sailing. Only last year I had a very bad motor car accident in which I was severely injured and my car wrecked, but I survived it. Incidents like this have impressed me with necessity for protecting myself financially. I am still in my best years, imbued with the keenest enthusiasm in building my estate in my own unsystematic way, and feel sure of attaining ultimate financial success.

My Own Private System For Budgeting

Room and board	16⅔%
Upkeep on automobile	8⅓%
Vacation and travel fund.....	8⅓%
Clothes	10%
Pocket Money	10%
Interest, taxes, etc.	16⅔%
Charity, emergency, miscellaneous.	13⅓%
Savings (for investment)	16⅔%
Total	100%

The above is not strictly adhered to as sometimes one fund is drawn upon more heavily than another. However, the average is about like the above.



An Elementary Lesson on Investment for Young Capitalists

By JAMES E. SAREAULT

THERE is no subject on which the American people are exhorted more continuously and more insistently than on that of saving a portion of their income. Even children are taught to save almost as early as they are forbidden to play with matches. The joy of living is shadowed for most of us by a sense of guilt because we are not accumulating more money from our income.

The most depressing sophistry of all time is the wise saying that a "Penny saved is a penny earned." That other slogan of bright promise, "Take care of the pennies and the dollars will take care of themselves," runs it a close second. It sometimes seems that parents, teachers, economists, newspapers and savings banks have formed a league with the sole purpose of taking the joy out of spending, and of holding the dread spectre of an impecunious old age before those who would not practice saving and self-denial. And of course they are right in so doing. No one will question that thrift is a virtue in the individual or in the nation, but such is the perversity of human nature that almost every one must be belabored before he will practice it.

Saving is an unpopular sport; the reward seems too long postponed to compensate for the present self-denial, but the man who insists on dissipating his entire income should take lessons in economics from the squirrel or the lowly ant, who at least have enough common sense to store up provisions for the winter which is sure to come. And in order that we might not be listed with that great number, who, upon reaching the no longer productive age of 65, and who are thenceforth dependent upon relatives or charity, we decide to adopt some definite plan of saving and systematically build some form of investment account while we are yet in our earning years. And having realized that if we set aside a fairly substantial amount for investment, and keep reinvesting the interest instead of diverting it to current uses, we would have an estate quite astonishing in proportion to our annual savings before we realized it.

We cannot jump right into the securities markets, however, as soon as we start our program of savings. There is much preliminary study necessary in order to get a proper background; sufficient investment education and knowledge to avoid unnecessary investment risks. During this "educational period" there are a number of safe investment mediums available for our modest funds. The savings bank account is a logical start to financial independence. The building and loan associations provide an excellent medium for accumulating savings in regular monthly amounts.

Insurance is essential for the protection that almost every one of us needs and some forms of insurance are desirable mediums of saving and investment.

After having followed our program of education and economy for a few years we have come to that point where we must choose—as all young capitalists must—the forms of investments which will give us ample returns yet be comparatively safe. Two great fields lay before us, each offering its advantages. We may invest in bonds, which are merely loans, or we may buy stocks, which are an interest in the concern.

For several generations it has been assumed that bonds offer a safer and better investment than stocks. In accordance with that idea, laws have been framed to limit trustees to investments in bonds or securities similar in nature.

In a recent book "How to Invest When Prices are Rising," by Irving Fisher and several other leading professors of Political Economy, it is contended that this traditional idea is incorrect. Several other recent writers have come to the same conclusion, and this point is very ably brought out in a very extensive work by Edgar Smith in his "Common Stocks as Long Term Investments." These writers have shown that bonds are not, as compared with well-selected and diversified stocks, what they have been represented to be, that they are especially deceptive during rising prices, and that even when prices are falling they are not usually superior to stocks.

Old ideas die hard. The recent writings of those who favor stocks in preference to bonds as an investment, have thrown a bombshell into the investing world. Attempts to answer their arguments are, it seems to me, comically inadequate. The proponents of stocks show that during the falling prices following the Civil War stocks and bonds were about equal as to yield while during the rising prices since 1896 the real yield on stocks is about four times the real yield on bonds.

To understand the stock and bond problem we should go back to first principles. A bond entitles the owner to interest and return of the principal after a period of years. For example a 5% 30-year bond means that the owner is entitled to \$1,000 at the expiration of 30 years and in the meantime to an income of \$50 per year.

Common stock, on the other hand, entitles the owner to whatever remains after bonds and other fixed obligations have been provided for. Thus a share of stock in a corporation owned in 10,000 such shares means that the owner is entitled to



An article, inspired by the controversial discussion of "Stocks versus Bonds" which appeared recently in the BYFI Department. Reviewing modern tendencies in investment doctrine, the author points out how stocks may be used to offset the vagaries of the "real value" of the dollar at a minimum of investment risk through proper diversification. The article originated in a group engaged in economic research in a prominent Western university.



one ten thousandth part of the interest and capital in that company after the debts have been paid.

The bondholder has one advantage over the stockholder; that of having his claim attended to first. If there are not enough earnings to go around the stockholder must be the one to go without. Not only must the bondholders' interest be paid first, but, in case of liquidation of the assets, should the company become insolvent, the bondholder must be paid in full before anything can go to the stockholder. Thus we readily see why so many people consider bonds a safe investment.

As for being safe there is no investment on earth that is absolutely safe. This fact cannot be stressed too emphatically. We speak of this or that issue as being "safe." This is loose talk. What we really mean is that we believe it will prove sound. An investment is a safe investment only if it pays its interest promptly and regularly and returns the full principal at maturity. Now who can speak with full assurance about something in the future? We may have complete confidence that a certain bond will always pay its interest and repay its principal, but the fact remains that we can not know—time alone will tell.

"But," some will say, "there are Liberty bonds—certainly they, at least, are safe." Patriotically speaking, I will agree with them, just as Englishmen will agree with each other that British bonds are absolutely safe and the people of Switzerland will agree that Swiss bonds are absolutely safe. But do not forget that back in 1912 or 1913 the financial world was giving just as high a rating to bonds of the Imperial German Government as to any government security.

Now, it is not the intention here to undermine confidence in Liberty bonds. Certainly to all intents and purposes they are as nearly safe as an investment can be, but it must be realized that some risk is involved in even the best investments. Thus we see that the stockholder, also, must assume some risk, possibly a bit more than the bondholder, and in some cases may not even get a cash income on his money, but on the other hand he has a greater chance of an increase in value as the concern grows. Any bond of the Bell Telephone Co. or the Ford Motor Co. could not share in the earnings of the company, however rich it may become. While few companies have such phenomenal growth as these two organizations, and while a great many go broke, or are otherwise embarrassed, nevertheless, facts indicate that on the average and in the long run, with all

the risk, the stockholder has a better chance of gain.

Sometimes we are told that the income from stocks is not steady, while as a matter of fact, in most of the large well established companies, the stockholder's actual cash income does not fluctuate very widely. This is because modern corporation directors pursue a conservative dividend policy. Just because of a common dread of lowered dividends, the modern policy is to declare only such dividends as are pretty sure to be kept up. In other words, the most approved dividend policy is one of steadiness. This is accomplished by putting back into the business each year a certain amount, thereby strengthening the corporation and insuring further dividends.

One corporation head says that it is an axiom that a growing company should put back one-half of what it earns. In doing this the corporation does not intend to disappoint the stockholder but rather to reinvest some of the earnings so as to maintain his income. Again we will see times when dividends are declared by drawing on the surplus. This is done when the earnings are low and here we see how the earnings of fat years are used to pay for the lean, thereby making the dividend regular.

We have seen how the constant reinvestment of earnings rolls up just as one's savings in a savings bank, but, quite often faster. Every cent of this belongs to the stockholder, not the bondholder and, except through ill luck or bad management, these earnings will not be dissipated but will increase, which means that further dividends will be declared. The bondholder has nothing to match this. Thus the supposed unsteadiness of the stockholder's income is one in name rather than in fact—that is in a well managed company.

A further argument in favor of stocks is that when the dollar is depreciating in value, the bondholder loses in the value of his principal and interest. His purchasing power is lessened. His income may be "steady" in terms of dollars and cents but it is really unsteady in purchasing power. This is very clearly shown above in the case of the German bonds. Those who held these bonds were, of course, ruined by the fall of the mark. Here we see the 1,000 mark 5% bond continued to yield 50 marks, but what was the mark? Let us suppose that the mark fell off fifty-fold during the war—it actually fell off much more—then its ability to cope with the cost of living, and the real income of the bondholder was reduced to one-fiftieth of what it had been.

(Please turn to next page)



Some will say that this does not apply to gold bonds in the United States, but it most assuredly does in a less extreme and less obvious manner. It applies to bonds expressed in any kind of unstable money. Then the question will be asked, is our gold dollar not stable? Most assuredly not! The dollar today buys only two-thirds as much as before the war, and in 1919-1920 it bought only half as much. History shows that back in 1896 the dollar bought twice as much as in 1919-1920 and three times as much as today.

When prices are rising—that is when the dollar is shrinking—we hear the bondholder complain of the "high cost of living," which is his way of saying that he is losing real income and principal though, nominally, they remain the same.

So we see that as long as our dollar is not stable this "steady income" of the bondholder is a delusion. When we study the effect of the inflation during the war, we find that many of our colleges, hospitals, foundations and other institutions were "pinched" by the fall of the dollar just as the fall of the German mark ruined the German bondholders. According to the American Statistical Association, it is estimated that the American bondholding public has lost over forty billions of dollars in this subtle way. This evil is all the worse because it is not realized. People talk in terms of "high cost of living" instead of in terms of a depreciated dollar, and do not seem to realize that at the bottom of the whole thing it is the changing dollar.

The net effect of the fluctuation in the price level—that is in the purchasing power of the dollar—is not only to make the bondholder's income fluctuate but to decrease the fluctuation in the income of the stockholder. This was brought out during the last war when extra dividends were declared just when most needed, because of the high cost of living, and stockholders grew rich while bondholders could not pay their bills.

It is true that there is somewhat greater "risk" carried by the stockholder as compared with the bondholder but this risk can be neutralized by diversification. Should one invest \$10,000, let us say, in the different going concerns, \$1,000 in each, while he does run the risk of losing in one or more this risk is more than offset by the probability that some will prosper exceedingly. Thus we see that diversification in the case of stocks neutralizes the risk and corrects the steadiness of the stockholder's income.

Not so with bonds. The dollar will go up or down for all bonds at once and this gamble cannot be ironed out by diversification. The only way to stabilize income is for the bondholder to buy carefully selected, diversified stocks.

Having seen that neither stocks nor bonds are absolutely safe and that we cannot completely remove the element of risk from investments, yet on the whole we may regard investments in well-selected, diversified stocks as a practical "hedge" against any future inflation that might materialize. But even if the balance, from the standpoint of a fixed income in dollars may be, in general, in favor of bonds, that advantage is very slight as compared with the prospects for growth in value, that one can get in stocks.

Since the recent crash in Wall Street some—a great many perhaps—have come to the conclusion that stocks are not so good after all, but let us not forget that stocks were skyrocketed to heights far beyond their actual value because of the great clamor to secure them, which began in the early part of 1928 and ended with the collapse in October, 1929. In spite of the financial disruption which recently took place in Wall Street all the above principles hold good and will continue to hold good. When the financial world has fully sobered up and recovered from its intoxication of false and ascending values we will see stocks and bonds still bear the same relationship toward each other that they have in the past.

BYFI RECOMMENDS—

For Saving



1. **SAVINGS BANK.** A convenient depository for the accumulation of regular or intermittent savings at compound interest. Funds are always available for employment in other mediums.

2. **BUILDING & LOAN AND GUARANTEED MORTGAGES** are conservative investments secured by real estate mortgage. Building & loan shares, essentially a mortgage investment, are purchasable in monthly installments. Guaranteed mortgages are obtainable in large or small denominations. Both mediums must be selected on their individual merits and the reputation of the association or company.

3. **ENDOWMENT INSURANCE** is a means of securing insurance protection and at the same time accumulating savings. Also possesses merit of regularity in savings but in view of small return, should occupy a minor role in the accumulating program.

For Investment

Security	Recent Price	Yield %
1. Illinois Central 40-Year 4½s, 1966.....	100	4.7
2. Public Service Elec. & Gas 1st & Ref. 5s, 1965.....	104	4.8
3. Standard Oil of N. Y. deb. 4½s, 1951.....	97	4.7
4. Western Pacific 1st 5s, 1946.....	98	5.1
5. Youngstown Sheet & Tube 1st SF. "A" 5s, 1978.....	101	4.9
6. New York Steam 1st "A" 6s, 1947.....	107	5.3
7. Chesapeake Corp. Conv. Coll. 5s, 1947.....	100	5.0
8. Associated Dry Goods 1st 6% Pfd.....	94	6.4
9. Hudson & Manhattan Conv. 5% Pfd.....	78	6.4
10. Southern Pacific Common \$6.....	124	4.8



The BYFI Recommendation Table is intended primarily to serve as a constant guide to inexperienced investors through the early stages of their income building program. On the left, the advantages of each of three principal mediums for accumulating regular savings are outlined. On the right, a progressive tabulation of investment securities suitable for the employment of sums accumulated through savings is presented. These issues, if purchased in the order listed, are intended for a permanent investment, and as such, will ultimately provide a sound backing of income producing securities, affording safety of principal, fair return, and offering the protection of diversity.

Should I Change My Life Insurance Policies?

Readers Cautioned Against Disturbing Their Present Policies—Other Questions Answered

By FLORENCE PROVOST CLARENDON

Insurance Editor:

Having read with interest your advice to other readers, I would like to ask you a question concerning my own insurance. I have two policies, one for \$3,000 on which I make my final payment next year. Then I have the choice of either \$2,254 in cash; paid-up insurance of \$4,434 or paid-up insurance of \$3,000 plus \$730 cash. The other policy is the same type but is for \$7,000 and matures eight years from now.

I want to increase my insurance and have considered several propositions whereby I could use these policies to obtain new insurance. One suggestion from an agent was that I cash in both policies which have a present cash value of \$1,935 and \$2,898 respectively and invest this money in high grade securities, using the income to pay for the premiums on a new policy. The face value of the new policy would be greater than the total of the two now held, but I don't like to give up my policies.

The company which issued these policies will give me a policy for \$17,638 and about \$1,500 cash in exchange for the two older policies. The premiums which they figure at the age when my old policies were taken out would be a little less than I am now paying but would have to be paid for life. On the other hand my present policies will be paid up in eight years, when I would have just about as much insurance as the new policy. Will you give me your advice about making the change? My present age is 48 years. Thanking you, I am,

Very truly yours, E. E. B.

I am in receipt of your letter seeking advice on your life insurance. I am sorry that you have omitted to tell me several items which have a bearing on such advice: your approximate annual income, your insurance needs, i. e., married? If so, how many children, and their ages; and especially the premiums you are now paying. The option you would take under your policies in question—cash, paid-up insurance, etc., is influenced by the items you have omitted to state.

I have no hesitation, however, in saying that the agent (presumably of another company) who is counselling you to drop two good policies in one of the best companies and take the cash value to invest in "high grade securities and use the income to pay premiums of new policy" is giving you doubtful advice, and is probably think-

ing more of his own interests than of yours.

In life insurance, as in other high-grade commodities, you get what you pay for. You can get more coverage at a less cost under the ordinary life plan than you would on a policy with premium payments restricted to a definite period. It is for you to decide whether you prefer to change your limited payment contracts to ordinary life, figures for which the company has apparently already supplied. My advice is to keep your policies on their present status, and thus relieve yourself from the obligation of premium cost in old age.

You might increase your present coverage, and apply at your present age of 48 for ordinary life insurance, using dividends towards making the policy paid up in advanced years of life—the premiums on this new insurance would probably be but little more than the premiums on the policy now becoming paid-up.

Guaranteed Additions

Insurance Editor:

Only recently I have taken out a \$5,000 policy, premium \$184.10, at age 33. The company does not seem to be one of the large well-known insurance firms and I would appreciate if you can give any information as to the responsibility and methods of this concern.

The policy is called "Twenty Payment Life, Guaranteed Addition", and becomes paid up for \$5,100 at the end of 15 years, or endowment for approximately \$4,000 at the end of 20 years, or paid up for \$7,275 with annual cash dividends, at the end of 20 years. This policy has double indemnity, and after the tenth year the insurance in force is increased by the amount of the annual premiums paid.

Thanking you in anticipation of an early reply, I remain,

Very truly yours,

J. C. R.

The policy about which you inquire on the 20-payment life plan with guaranteed additions provides good coverage. Its attractive paid-up and cash

surrender values require a higher premium cost than is called for under the straight 20-payment life policy in the same company. If you do not mind paying the increased annual premium over the other form you will of course build up during the twenty-year term higher cash values together with a guaranteed addition as outlined in the policy.

The company has had a rapid but conservative growth; expenses are said to be low; and its mortality rate favorable. We understand its investments are of good quality and yield an excellent return. We think you need have no hesitation in placing your application with this company.

Industrial Insurance

Insurance Editor:

As a subscriber to your magazine I find your articles very instructive. My problem, I believe, is slightly different from any which I have seen in your columns. About four years ago, my father died leaving several "industrial" policies on my life on which I have continued to pay the premiums. These policies are listed on the attached sheet which also shows premiums total about \$221. Although I have continued payment on these policies, I feel that my own insurance does not give me sufficient coverage and is not the right sort for me to carry. Would you advise me to drop these policies and take out new insurance? I feel that the amount of the premiums is all that I can afford at present but I would like to have more coverage. What would you advise?

Subscriber.

I am sorry you omitted to sign your name on your letter, and thus an answer to your inquiry had to await publication in the Magazine, rather than be sent to you direct.

It is apparent that you have graduated out of the "industrial" class and these small policies, outlined in the list enclosed in your letter, are only intended for wage earners who cannot conveniently pay premiums in other

(Please turn to page 1056)



Trade and Industry Behind the Season

Trade Heavier But Still Unsatisfactory
Volume — Prices Generally Firmer

STEEL

Output Responds to Heavier Demand

WITH the slow opening of seasonable weather, the steel industry is stepping up operating rates to cover the gradually rising tide of consumption. Recovery under existing conditions is proving to be a laborious and somewhat difficult process; but steel operations are well above the average level of industrial activity and may be depended upon to maintain the advantage.

From the consumption side, quickening demand for structural steel which is the natural concomitant of more open weather conditions is, perhaps, the most favorable development but recent extensive lettings of pipe line contracts are also playing an important part in brightening the outlook. (Please turn to page 1035)

COMMODITIES*

(See footnote for Grades and Units of Measure)

	1930		
	High	Low	Last
Steel (1)	\$34.00	\$33.00	\$33.00
Pig Iron (2)	18.50	18.50	18.50
Copper (3)	0.17%	0.17%	0.17%
Petroleum (4)	1.45	1.30	1.30
Coal (5)	1.65	1.40	1.40
Cotton (6)	0.17%	0.14	0.15%
Wheat (7)	1.45%	1.29%	1.29%
Corn (8)	1.08%	0.99%	1.08
Hogs (9)	0.10%	0.09%	0.10%
Steers (10)	16.50	14.25	15.00
Coffee (11)	0.10%	0.09%	0.10
Rubber (12)	0.16%	0.15%	0.15%
Wool (13)	0.34	0.31	0.31
Tobacco (14)	0.14	0.14	0.14
Sugar (15)	0.03%	0.03%	0.03%
Sugar (16)	0.05%	0.05	0.05
Paper (17)	0.03%	0.03%	0.03%
Lumber (18)	20.33	19.11	20.33

* April 5, 1930.

(1) Bessemer billets, \$ per ton; (2) Basic Valley, \$ per ton; (3) Electrolytic, c. per lb.; (4) Mid-Continent, 36", \$ per bbl.; (5) Pittsburgh, steam mine run, \$ per ton; (6) Spot, New York, c. per pound; (7) No. 2 Red, New York, \$ per bushel; (8) No. 2 Yellow, New York, \$ per bushel; (9) Light, Chicago, c. per pound; (10) Top, Heavies, Chicago, 100 lbs.; (11) Rio, No. 7, spot, c. per lb.; (12) First Latex crepe, c. per lb.; (13) Ohio, Delaine, unwashed, c. per lb.; (14) Medium, Surley, Kentucky, c. per lb.; (15) Raw Cuban, 96° Fall Duty, c. per lb.; (16) Refined, c. per lb.; (17) Newsprint per carload roll, c. per lb.; (18) Yellow pine boards, f. o. b. \$ per M.

THE TREND IN MAJOR INDUSTRIES

STEEL—The steel industry has apparently turned the corner at last with the slightly increased production of recent weeks interpreted as an indication of a pick up in general demand. An abrupt climb in activity is not to be expected under existing conditions; but gradually heavier rates should become manifest through the month. Earnings reports of steel companies for the first quarter are exceeding expectations.

METALS—Non-ferrous markets are continuing a more active phase as second quarter needs are released. But there is considerably less certainty that the 18-cent level can be held. Indications are for reduction, but the market is beginning to show signs of fatigue. Lead prices have advanced and demand is holding comparatively well. Even zinc is meeting better support with quotations at what appear to be temporarily higher levels.

PETROLEUM—The petroleum industry is approaching a more satisfactory status with crude production and distillery runs declining moderately but steadily. The price structure is growing stronger and mid-continent quotations are in a position to advance in the near future. With this turn of the oil tide, well situated companies are working into a more favorable profit position.

AUTOMOBILES—Unofficial estimates place motor output for March at 420,000 units, an increase of 25% over February but a decline of 32% from March, 1929. Small cars again account for the greater part of the total, Ford production alone being estimated at 150,000 units for the period. While buying is almost certain to improve as the peak of the season is reached, it has a long way to go to afford satisfactory earnings.

LEATHER—Quotations for both hides and leather are reported steady at slightly higher levels than have recently prevailed and the outlook for the immediate future is for continued stability. As the latest legislative action favors duty free hides, domestic activities in the hide and leather trade will in all probability continue to be adversely affected by foreign competition.

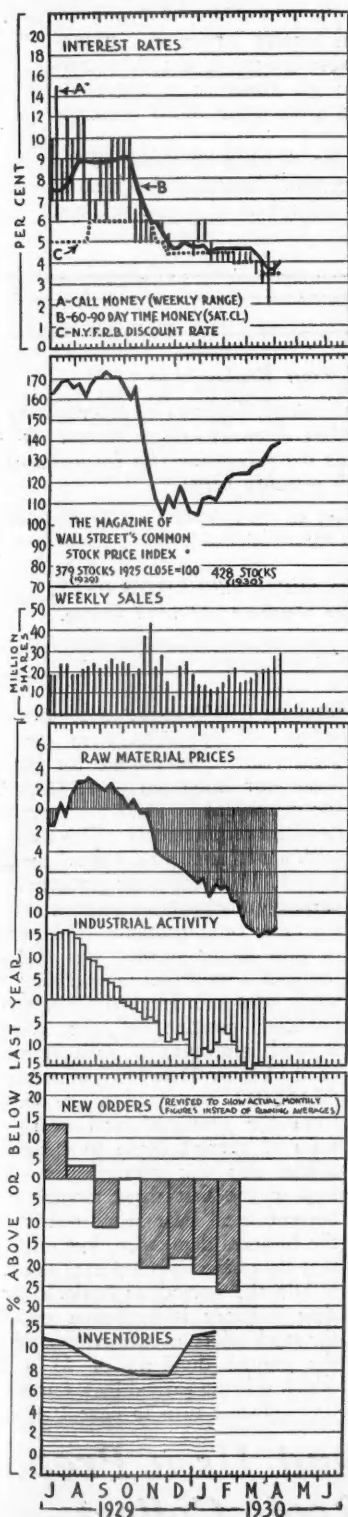
FARM EQUIPMENT—This line of activity continues to meet the steady demand that has enabled manufacturers to carry high operating rates since the first of the year. Export volume has been particularly strong with February shipments having set a record 100% above the exports of the same month last year. However, narrowed profit margins in certain products will cut into net profits.

RUBBER—Although stocks of rubber are excessively heavy and while the crude product is currently selling below cost of production, a more favorable situation is expected from the fact that over 80% of British and Dutch planters have agreed to suspend tapping during May. Quotations are likely to be benefited temporarily, but it will be well to bear in mind the last attempt at rubber control.

SUMMARY—On the whole, industry is apparently gathering strength for a gradual upturn which should become more evident during the current month. Irregularities that have characterized activity to date are likely to be continued in a more or less pronounced fashion.

THE MAGAZINE OF WALL STREET'S INDICATORS

Business Indexes

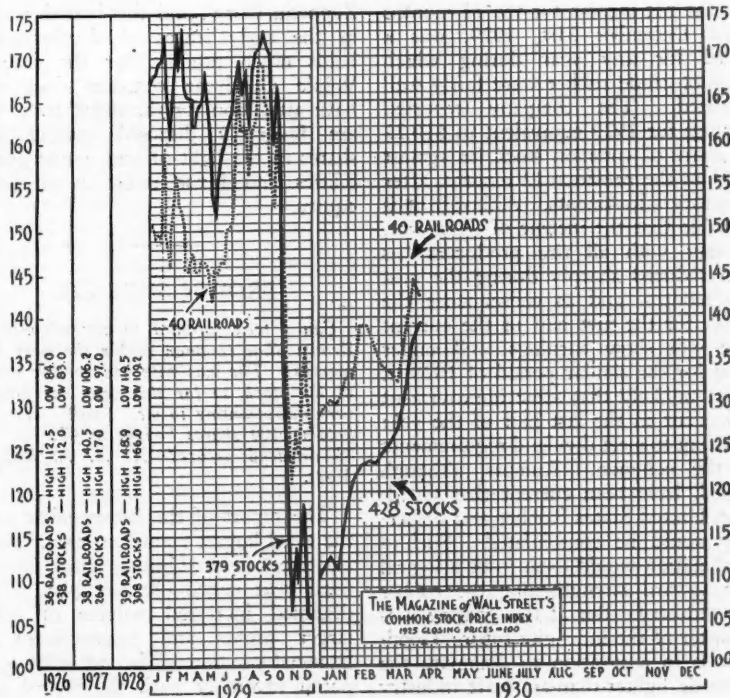


Common Stock Price Index

(1925 Closing Prices—100)

Number of Issues in Group	Group	1930 Indexes (428 Issues)		Recent Indexes		1929 Indexes (379 Issues)		
		High	Low	Mar. 29	April 6	Close	High	Low
428	COMBINED AVERAGE	139.4	109.0	137.4	139.4	109.0	173.1	106.6
40	Railroads	144.5	129.0	144.5	142.3	129.0	169.5	120.3
3	Agricultural Implements	369.8	342.4	359.0	369.8	268.0	655.5	237.1
3	Aircraft (1927 Cl.—100)	148.6	32.2	141.3	148.6	86.0	307.1	78.0
8	Amusement	212.3	123.4	201.0	212.3	129.6	268.0	121.5
22	Automobile Accessories	115.7	84.3	111.9	115.7	84.3	212.6	32.9
18	Automobiles	78.4	53.0	76.3	78.4	54.2	124.9	53.1
3	Baking (1928 Cl.—100)	70.9	42.7	70.9	68.9	43.4	96.3	39.3
2	Biscuit	245.9	189.9	245.9	240.5	189.9	367.6	177.0
5	Business Machines	261.9	211.1	259.2	257.9	219.4	388.3	206.0
2	Cans	226.0	169.5	226.0	229.9	171.0	273.5	137.1
9	Chemicals & Dyes	241.7	216.9	241.7	241.4	220.4	368.9	204.5
4	Coal	107.9	83.5	103.6	106.9	83.8	124.0	77.0
10	Construction & Bldg. Material	119.4	80.9	118.7	119.4	83.2	145.4	76.6
13	Copper	211.7	189.3	206.5	205.0	194.5	391.5	189.6
4	Dairy Products	116.6	81.4	115.9	113.2	86.5	146.0	73.3
10	Department Stores	46.3	37.3	46.3	45.0	38.0	86.5	37.5
9	Drugs & Toilet Articles	142.0	128.6	140.5	139.5	125.6	199.2	119.2
8	Electric Apparatus	236.9	172.9	236.9	236.9	172.9	298.5	151.3
3	Fertilizers	54.4	40.1	50.1	54.4	40.2	121.4	38.5
2	Finance Companies	143.4	101.4	144.5	146.6	101.4	212.3	95.3
4	Furniture & Floor Covering	119.2	97.4	99.6	98.2	109.2	209.3	108.3
6	Household Appliances	92.5	57.3	91.9	92.5	57.3	110.3	56.6
3	Investment Trusts	134.0	125.7	134.0	135.5	125.7	406.2	115.3
4	Mall Order	138.5	125.1	138.5	138.2	132.6	418.0	127.5
4	Marine	85.3	61.7	82.8	84.7	62.2	93.7	60.1
9	Meat Packing	58.6	50.1	56.7	58.4	54.2	104.4	51.3
45	Petroleum & Natural Gas	133.0	102.1	133.1	133.0	106.7	171.7	104.5
6	Phonographs & Radio (1927—100)	154.5	94.0	149.5	154.5	129.6	321.1	116.3
23	Public Utilities	300.0	224.5	291.0	300.0	224.9	388.4	194.2
11	Railroad Equipment	115.4	99.2	113.1	113.2	99.2	134.1	95.0
3	Restaurants	148.9	127.9	145.4	148.9	127.2	180.5	117.0
2	Shoe & Leather	100.1	79.4	97.5	100.1	79.4	178.3	76.3
2	Soft Drinks (1929 Cl.—100)	246.5	196.5	246.5	244.5	196.4	364.0	158.5
15	Steel & Iron	146.5	117.3	145.0	146.5	117.3	173.4	118.3
6	Sugar	45.1	39.5	41.1	41.6	39.7	81.6	39.3
3	Sulphur	258.1	214.0	258.1	251.5	214.0	295.2	191.4
3	Telephone & Telegraph	174.1	162.7	162.1	172.8	167.8	252.3	160.1
6	Textiles	70.5	49.9	70.2	70.5	49.9	122.5	49.1
8	Tire & Rubber	38.6	25.0	37.0	38.0	25.6	111.4	25.0
13	Tobacco	107.3	83.4	106.1	106.6	83.4	194.6	79.6
5	Traction	103.5	101.0	103.5	101.0	65.2	140.4	53.9
2	Variety Stores	97.3	76.0	79.4	82.2	82.7	136.8	83.3

h—New HIGH record since 1928.



(An unweighted Index of weekly closing prices specially designed for investors. The 1930 Index includes 428 issues, distributed among 42 leading industries, and covers about 90% of the total transactions in all Common Stocks listed on the New York Stock Exchange. It is compensated for stock dividends, rights and assessments and reflects all important price movements with a high degree of accuracy. Our methods of making annual revisions in the list of stocks included renders it possible to keep the Index abreast with evolutionary changes in the market, without impairing its continuity or introducing cumulative inaccuracies.)

ANSWERS TO INQUIRIES

SUBSCRIBERS—ATTENTION

The Personal Service Department enables you to adapt THE MAGAZINE OF WALL STREET to your personal problems. If you are a yearly subscriber, you are entitled to receive FREE OF CHARGE a reasonable number of PERSONAL REPLIES BY MAIL OR WIRE on any security in which you may be interested. The inquiries presented in each issue are only a few of the thousands currently received and replied to. The

use of this personal inquiry service in conjunction with your subscription to the Magazine should help you to get hundreds or thousands of dollars of value from your \$7.50 subscription.

Inquiries cannot be received or answered by telephone nor can personal interviews be granted. Inquiries from non-subscribers of course will not be answered.

GOODYEAR TIRE & RUBBER CO.

My broker tells me that Goodyear common should again top 150 within the next few months. What is your opinion, especially considering Goodyear's interest in the new Zeppelin Ocean Line project? Is this likely to cause a substantial advance in the market value of Goodyear common in the near future. I have 25 shares which cost me 110 last August.—V. T. L., Houston, Texas.

Although the falling off in business in the last two months of 1929, together with necessary year-end inventory readjustments, retarded earnings of the Goodyear Tire & Rubber Co., the net income for the 12 months ended December 31st, 1929, was a record for any year during which prices of crude rubber were fairly well stabilized. The company reported earnings for 1929 equivalent to \$10.23 per share of common stock, as against \$5.04 in the previous 12 months, after inventory adjustments. Although it is probable that the income of Goodyear, together with all tire producers has been reduced sharply during the past few months, and as consequence the report for the first half of the current year will show earnings well under those for the similar period of 1929, it is not unlikely that some improvement will occur in the last half of the year sufficient to meet dividend requirements on the common. Rumors, although denied, have been current that Goodyear, United States Rubber and Seiberling would be consolidated. Such a combination would seem to be a logical step toward strengthening the rubber tire industry. But at this writing it is a matter of the indefinite future. Goodyear is in a position to dominate the domestic lighter-than-air craft industry through its subsidiary, the Goodyear-

Zeppelin Corp., and this branch while in the early stages of development, holds much promise for the future. While Goodyear common does not have attraction for the quick turn, we are favorably disposed toward the shares in the light of long range possibilities and favor retention of your equity.

BROWN SHOE CO.

Can I look forward to any advance in Brown Shoe common within the next few months? The inactivity and narrow range of the stock so far this year has proved very disappointing to me. Shall I keep on holding 100 shares bought at 47? Is the \$3 dividend secure?—H. A. J., Boston, Mass.

The report of the Brown Shoe Co., the third largest manufacturer of boots and shoes in the United States, for the fiscal year ended October 31st, 1929, disclosed increased volume of sales, larger profits and improvement in financial position. The net sales compared favorably with the record volume of more than \$37,000,000 in 1920,

totalling \$36,753,955, as against a net volume of \$34,836,424 in the 1928 fiscal year. Net income for the past fiscal year amounted to \$1,739,997 or the equivalent to \$5.78 after preferred dividend requirements. This compared with a net in the 1928 fiscal period of \$1,451,757 equal after preferred dividend requirements to \$4.60 a share on the same capitalization. The per cent of gain in net income was 19.8 as a result of a reduction in operating costs, while sales gain reached 5.5% and the financial position of the company showed improvement with inventories as of October 31st, 1929, amounting to \$6,444,042 a reduction of \$636,872 from the previous fiscal year. The ratio of current assets to current liabilities also was strengthened. Earnings in the first three months of the current fiscal year were restricted by the business depression, but sales since that time have been reported as normal. While the immediate outlook for the shoe industry is somewhat uncertain, the stock offers an attractive yield from the annual dividend of \$3 a share which is being earned by a fair margin, (Please turn to page 1042)

Are You Sure of Your Broker?

We invite correspondence from readers desirous of ascertaining the status of brokers with whom they intend to do business. We make no charge for this service, as we recognize the importance of having our readers deal through reliable firms.

Subscribers wishing to avail themselves of the privileges of the Personal Service Department should be guided by the following:

1. Be Brief.
2. Confine requests for an opinion to **THREE SECURITIES ONLY.**
3. Special rates upon request to those requiring additional service.
4. Write name and address plainly.

When Quick Service Is Required Send Us a Prepaid Telegram and Instruct Us to Reply Collect

Our Semi-Monthly
**Investment
Review**

contains comments
on the

General Situation
The Oil Group
The Rails
Best & Co.

A copy will be sent upon request

**Haine, Mehler
& Co**

Established 1880

82 DEVONSHIRE ST., BOSTON
New York Detroit Chicago
and other principal cities
Members of Principal Stock Exchanges



**Underwriters and Distribu-
tors of Government, Muni-
cipal, Railroad, Public Util-
ity and Industrial Securities**

Investment and
Brokerage Service

*Members New York and other
leading Stock Exchanges*

OTIS & CO.

Established 1899

CLEVELAND
NEW YORK CHICAGO

Offices in 28 cities

A GUARANTEED INCOME FOR LIFE

**\$250 a month
beginning at
Age 55, 60 or 65**

THE Phoenix Mutual announces a new Retirement Income Plan under which you get not only immediate protection for your beneficiaries but also, for yourself in later years, a guaranteed income you cannot outlive.

**What a \$25,000 policy, payable at
age 60, will do for you**

It guarantees to you when you are 60

A Monthly Income for Life of . . . \$250.00
which assures a return of at least . . . \$25,000.00
and perhaps much more, depending upon how
long you live. Or, if you prefer, a cash settlement
of . . . \$33,750.00

**It guarantees throughout permanent
total disability which begins before
age 60**

A Monthly Disability Income of . . . \$250.00
and the payment for you of all premiums.

**It guarantees upon death from any
natural cause before age 60**

A Cash Payment to your beneficiary of \$25,000.00
Or a monthly income as long as your beneficiary
lives.

**It guarantees upon death resulting
from accident before age 60**

A Cash Payment to your beneficiary of \$50,000.00
Or a monthly income as long as your beneficiary
lives.

Send for the Facts

The plan above is for \$250 a month, payable at age 60. You may arrange to retire at other ages than 60 if you wish. You may provide for yourself a Retirement Income greater or smaller than \$250 a month. Plans for women are also available.

Other things you can provide for by this program are: Money to leave your home free of debt. An income for your wife in case she should outlive you. Money to send your children to college. Money for emergencies. Money for special needs. There is hardly a financial problem which cannot be solved by this plan.

A Retirement Income does not have to be paid for all at once. It is usually paid for in installments spread over a period of 20 years or more. Naturally this makes the individual installments comparatively small.

One of the great advantages of this plan is

that it goes into operation the minute you pay your first installment. From that moment on, you guarantee the fulfillment of your life plans.

Even though you should become totally disabled and unable to make another payment, your payments would be made by us out of a cash reserve provided for that purpose. Your home would be left clear of debt, just as you had planned. Your children would go to college, expenses paid, if you had planned it so. And you would have \$250 a month to live on while disabled, even if your disability should last the rest of your life.

We should like to send you an interesting 28-page book called "How to Get the Things You Want," which tells all about the Retirement Income Plan and how it can be exactly suited to your own special needs. No cost. No obligation. Send for your copy of this free book today.



**PHOENIX MUTUAL
LIFE INSURANCE COMPANY**

Home Office: Hartford, Conn. First Policy issued 1851

Copyright 1930, P. M. L. I. Co.



PHOENIX MUTUAL LIFE INSURANCE CO., 522 Elm St., Hartford, Conn.

Send me by mail, without obligation, your new book,

"HOW TO GET THE THINGS YOU WANT"

Name _____

Date of Birth _____

Business Address _____

Home Address _____

Taking Security Profits in Mergers

(Continued from page 999)

through steady lowering of rates.

In a somewhat different category are the bank mergers, particularly those completed in the large financial centers of the country. Bank mergers, to be sure, are not an entirely new development, but those of recent years are of staggering proportion, completely overshadowing any previous consolidations. Through a recent merger, New York City now has the distinction of being the home of the largest bank in the world.

Finance is a handmaiden to industry, and as such it has become necessary to form banking institutions of tremendous resources to serve properly the ever increasing requirements of rapidly expanding business and ever larger industrial and business units formed by consolidations. The primary consideration in bank consolidations therefore is not to effect savings in operations, because these in any case will be relatively small, but rather the purpose is to increase resources and financial power. Increases in the earning power through consolidation therefore are largely attributable to the more effective use to which the larger resources can be put.

Contrasting with the deluge of consolidations and mergers in the other major fields of enterprise in recent years is the dearth in the railroad field. Various regional consolidation plans have been worked out from time to time in the last ten or twelve years and the stage is now set for something definite. These, however, will not result in any great savings in operations, nor will earnings increase as a result of larger volume of business. Like the utilities, railroads operate in a definite territory, and with the exception of a certain amount of freight interchange with connecting roads chiefly at the termini, the volume of business depends largely on the territory served. Unlike the utilities, however, there is not nearly the same rate of annual growth in freight shipments as in electricity and gas consumption, and therefore this influence which is so important in contributing to steady increase in utility earnings is absent in railroads.

It is in the strictly industrial companies where conditions are highly competitive that the strength and weakness of mergers have full play. Here, more than in any other type of enterprise, the management is of paramount importance, and as previously mentioned, an exceptional management is

required to insure the success of a merger, even though the bare figures prior to the consummation of the merger would indicate great savings and considerably higher net earnings. The accompanying charts illustrate what has actually transpired in five prominent merger companies in the industrial field with the last decade. These should not be taken as representing what will happen in all cases of industrial merger, in fact, the examples chosen are generally those of the more successful mergers.

It will be noticed that in all five companies, a substantial drop in earnings occurred within a year or two of the consolidation, and for those that extent back far enough a period of digestion was necessary before the benefits of the merger were actually realized. In other words, the benefits in an industrial merger are not immediately apparent because it takes the management some time to make the enlarged organization function properly, and in the meantime net earnings are apt to suffer on account of the temporarily higher expenses incident to making adjustments in the new company. This, of course reacts on the price of the common stock, but an added factor is the increased amount of stock outstanding after the merger, a considerable part of which is frequently liquidated in the market by the former holders of the stock of the company which was merged.

An important consideration in reference to the market action of the stock of a merger company is the activity of the banking interests sponsoring the deal, the success of which they underwrite. Large blocks of stock may be acquired before the merger and subsequently as a result of supporting the market. To distribute such stock, the tactics of the banking pool frequently will be to run up the price of the stock, while the public is still under the aegis of the magnitude and possibilities of the consolidation, draw in a large following who become convinced of these possibilities as the stock continues its upward course, and when inside information is to the effect that earnings are not immediately developing as expected, complete the distribution of the stock. Much of the distributing may be accomplished as the market price of the stock recedes from the high point. The withdrawal of pool support will cause the stock to seek a level which will represent its value on the basis of its earnings and future prospects. There follows then a period of varying duration in which the management will attempt actually to realize the higher earnings that were estimated for the consolidation.

From a practical viewpoint, the specific is more important than the abstract, but any conclusions from

a study of the merger question as affecting either the company itself or the holder of the securities must necessarily be the latter. No hard and fast rules can be formulated which will guide the investor or purchaser of securities to sure profits. There are, notwithstanding, certain tendencies in connection with mergers that will aid the investor to make an intelligent effort to benefit therefrom.

Generally, preceding a merger the stocks of the companies involved will experience a considerable rise, more so the stock of the company that will be merged than the company that will make the acquisition, the weaker company more than the stronger. Large and quick profits can be made from this phase of the merger. This rule applies to all types of enterprise whether they are public utilities, financial institutions, railroads, or industrial. After the merger, however, there is generally a divergence in the market course of the stock. The monopolistic or quasi-public type of enterprise i.e. the utilities will benefit from the merger almost immediately, and the stock will advance to reflect this, continuing to do so as long as further improvement in earnings is anticipated. In the case of the strictly industrial enterprises, on the other hand, the consummation of the merger frequently involves bank pool manipulation for the purpose of distributing the stock, after which the price of the stock generally slumps because earnings in most of the consolidations do not come up to expectations. There follows then a "period of digestion" of varying duration in which the price of the stock acts indifferently. When the advantages which were originally expected of the merger actually begin to be realized, however, then will the stock again advance in price. This is the investment point when the stock may be purchased for more or less permanent holding. The strong position which some industrial companies attain as a result of well conceived consolidations is often capitalized at a subsequent period of business prosperity with great profit accruing to the holders of the equity stock.

**For Help in Solving Your
Life Insurance Problems
Consult Our
Insurance Department**

Trade Tendencies

(Continued from page 1030)

Slightly heavier automobile production indicated for the current period holds promise of heavier steel tonnage to come as do recent shipbuilding contracts which should require some 100,000 tons of the basic metal.

Pig iron production recorded the third successive monthly increase in March, averaging 105,520 gross tons daily as compared with 101,640 tons averaged in February and 119,662 tons produced daily in March last year.

The price situation has assumed an unfavorable aspect in the last two weeks when the concessions which were widespread became openly quotable. Present averages are lower than they have been since 1922; but inasmuch as production costs have been materially reduced in the past few years, current quotations are not entirely unprofitable.

Earnings statements for the first quarter, which are beginning to appear, are exceeding expectations in the case of selected companies in the industry.

RAILROAD EQUIPMENT

Buying Passes Peak

While buying in the freight car and locomotive divisions of the railroad equipment field maintained heavy volume in the first quarter of this year, current indications point to the probability that the peak in such orders was passed in February and that a resumption of the aggressive demand of the past year and a quarter may not occur for some time. During the first three months, new freight cars ordered totaled 27,027 as against 37,913 units reported in the same period in 1929 and locomotive requirements were 361 and 302 respectively in the same periods; but during March, freight car orders dropped to 4,464 from 15,931 reported for February, while locomotive orders in March were 43 as contrasted with 16 in the preceding month and 142 in the similar month last year.

Among the factors working against need for additional rolling stock are the declining status of revenue freight car loadings and increasing surplus of unused units in good repair. The growing efficiency of traffic systems and the trend towards larger capacity

(Please turn to page 1062)

National Dairy Products Corp.

Analyzed in our latest WEEKLY REVIEW

Copy MW-152 on request

PRINCE & WHITELY

Established 1878

New York Stock Exchange

Chicago Stock Exchange

New York Curb Exchange

25 BROAD ST.

NEW YORK

UPTOWN OFFICE: HOTEL ST. REGIS

Chicago

Cleveland

Philadelphia

Detroit

Boston

Akron

Reading

Indianapolis

SUN LIFE ASSURANCE COMPANY OF CANADA

1929

A BOOKLET embodying the DIRECTORS' REPORT, the ADDRESS OF THE PRESIDENT AT THE ANNUAL MEETING, and a FULL LIST OF THE SECURITIES HELD BY THE COMPANY, is now available and may be had on Application to

Room 409, Head Office

Sun Life Assurance Company of Canada
Montreal

Dunscombe & Co.

Members New York Stock Exchange

60 Broad St.

New York

SOUND INVESTMENTS

Monthly Bulletin Upon Request



Normandie
National
Securities
Corporation

PAID-IN CAPITAL \$8,000,000
521 FIFTH AVENUE

Mail Service

Our Mail Investment Service is available to Investors in all parts of the United States and Canada.

Orders for Listed Stocks or Bonds sent by Telegraph or Mail receive the same careful attention as orders placed in person at our office.

Cash or Margin Basis

Our Interesting booklet "Odd Lot Trading" contains information of value to both the small and large investor.

Ask for booklet M.W. 754

John Muir & Co.

MEMBERS
New York Stock Exchange
New York Cotton Exchange
National Raw Silk Exchange, Inc.

ASSOCIATE MEMBERS
New York Curb Exchange

39 Broadway New York

BRANCH OFFICES
11 W. 42d St. 41 E. 42d St.

RESEARCH is the life-blood of most successful investments. By RESEARCH is not meant the mere study of PAST statistical records which usually only reveal facts already discounted.

We depend more on primary sources of information than on secondary, making field investigations when necessary. Our security analysts are constantly investigating business trends and particularly the PRESENT status of industries and individual companies.

GOODBODY & CO.

Members New York and Philadelphia
Stock Exchanges and New York
Curb Exchange

115 Broadway 230 Park Ave.
New York New York

Branch Office
1424 Walnut Street, Philadelphia, Pa.

New York Stock Exchange

RAILS

	1928		1929		1930		Last Sale 4/9/30	Div'd \$ Per Share
	High	Low	High	Low	High	Low		
A								
Atchafalpa	204	183%	209%	106%	242%	219%	237%	10
Do Pfd.	106%	102%	104%	89	106%	102%	105	5
Atlantic Coast Line	191%	187%	209%	161	175%	166	171	10
B								
Baltimore & Ohio	125%	103%	145%	106	123%	115	119%	7
Do Pfd.	85	77	81	76	83	78	82%	4
Brooklyn-Manhattan Transit	77%	53%	81%	40	78%	63	73	4
Do Pfd.	95%	82	92%	76%	93%	84%	89	6
C								
Canadian Pacific	253	195%	265%	185	226%	187%	212%	10
Chesapeake & Ohio	216%	175%	279%	160	241%	203	224	10
C. M. & St. Paul & Pacific	40%	22%	44%	16	36%	24%	23%	..
Do Pfd.	59%	37	58%	28%	46%	39%	41%	..
Chicago & Northwestern	94%	75	108%	75	89%	84	87	7
Chicago, Rock Is. & Pacific	139%	106	143%	101	125%	114	121	7
Do 6% Pfd.	111%	105	109	100	104%	100%	103%	6
D								
Delaware & Hudson	226	163%	226	141%	181	161%	180%	9
Delaware, Lack. & Western	150	125%	169%	120%	153	136	146%	7
E								
Erie R. R.	73%	46%	93%	41%	63%	55%	58%	..
Do 1st Pfd.	63%	50	66%	55%	67%	61%	64%	4
Do 2nd Pfd.	62	49%	63%	52	62%	57%	62%	4
G								
Great Northern Pfd.	114%	93%	122%	85%	102	95	99	5
H								
Hudson & Manhattan	75%	50%	58%	34%	53%	46%	51	3%
I								
Illinois Central	148%	131%	153%	116	131	128	129%	7
Interborough Rapid Transit	62	29	58%	15	39%	20%	35%	..
K								
Kansas City Southern	95	43	108%	60	85%	77	81%	5
Do Pfd.	77	66%	70%	63	69%	67%	68%	4
L								
Lehigh Valley	116	84%	102%	65	84%	70%	72	4%
Louisville & Nashville	159%	139%	154%	110	138%	128	138	7
M								
Mo., Kansas & Texas	53	30%	65%	27%	66	46%	63%	..
Do Pfd.	109	101%	107%	83%	108%	103	107%	7
Missouri Pacific	76%	41%	101%	46	98%	87	94%	..
Do Pfd.	126%	105	149	106	145%	134	140	5
N								
New York Central	196%	156	256%	160	192%	167	187	8
N. Y., Chic. & St. Louis	146	121%	192%	110	144	130	136%	6
N. Y., N. H. & Hartford	52%	54%	132%	80%	128%	108%	125%	6
N. Y., Ontario & Western	39	24	33	8	17%	13%	15%	..
Norfolk & Western	198%	175	230	191	265	226	236	10
Northern Pacific	118	92%	118%	75%	97	84	94	5
P								
Pennsylvania	76%	61%	110	72%	86%	72%	83%	4
Pere Marquette	154	124%	260	145	163	150	160	8
Pittsburgh & W. Va.	163	121%	148%	90	151%	108	113%	6
R								
Reading	119%	94%	147%	101%	141%	121	128%	4
Do 1st Pfd.	46	41%	50	41%	50%	44%	50	2
Do 2nd Pfd.	59%	44	60%	48%	57	47%	50	2
S								
St. Louis-San Fran.	123	109	133%	101	118%	107%	114%	8
St. Louis-Southwestern	124%	97%	115%	80	95%	83	93	..
Seaboard Air Lines	30%	11%	21%	9%	12%	9%	10%	..
Do Pfd.	38	17	41%	16%	28	22%	23%	..
Southern Pacific	131%	117%	157%	105	127	119%	123%	6
Southern Railway	165	139%	163%	109	136%	123%	128	8
Do Pfd.	103%	96%	100	83	101	98	100	5
T								
Texas & Pacific	194%	99%	181	115	132%	117	132%	5
U								
Union Pacific	224%	186%	297%	200	242%	215	235%	10
Do Pfd.	87%	63%	85%	80	86%	83%	84%	4
W								
Wabash	96%	51	61%	40	67%	51	63	..
Do Pfd.	102	85%	104%	82	89%	83	89%	5
Western Maryland	54%	31%	54	10	36	24%	38%	..
Do 2nd Pfd.	54%	33%	53%	14%	38	24%	38	..
Western Pacific	38%	28%	41%	15	30%	21	27%	..
Do Pfd.	68%	53%	67%	37%	53%	40%	50	..

INDUSTRIALS AND MISCELLANEOUS

	1928		1929		1930		Last Sale 4/9/30	Div'd \$ Per Share
	High	Low	High	Low	High	Low		
A								
Adams Express	485	195	84	20	87%	23%	85	1.60
Air Reductions Inc.	90%	89	223%	77	141	118	144	8
Alliogeny Corp.	223%	146	254%	197	213%	255%	205	6
Allis Chemical & Dye	200	115%	75%	25%	68	49%	64%	3
Allis Chalmers Mfg.	79%	55%	73%	18	10%	6%	8%	..
Amer. Agricultural Chem. Pfd.	189	74%	157	65	97%	77	93	8
Amer. Bank Note	49%	39%	62	40%	54%	46%	52	2.40
Amer. Brake Shoe & Fdy.	177%	70%	184%	88	154%	117%	152%	4
American Can	111%	88%	106%	75	82%	65%	70%	6
Amer. Car & Fdy.	85	23%	199%	50	101%	82%	81%	..
Amer. & Foreign Power	46%	28	54	29	41%	35%	39%	4
American Ice	180	71	96%	29%	55%	35%	52%	2
Amer. International Corp.	183	129%	279%	143	288%	210	245	7
Amer. Machy. & Fdy.	63%	39	81%	21%	81%	44	46%	3
Amer. Metal Co., Ltd.	95	68%	175%	64%	119%	77	113	1
Amer. Power & L.	121%	180%	55%	23	39%	30%	33%	1%
Amer. Radiator & S. S.	293	169	130%	68	79%	60%	75%	4
Amer. Rolling Mill	70%	50%	79%	36%	58%	44%	43	8
Amer. Smelting & Refining								
Amer. Steel Foundries								

Price Range of Active Stocks

INDUSTRIALS AND MISCELLANEOUS—(Continued)

	1928		1929		1930		Last Sale 4/9/30	Div'd \$ Per Share
	High	Low	High	Low	High	Low		
American Stores	88 1/2	55	84 1/2	55	83	46 1/2	150 1/2	2
Amer. Sugar Refining	211	172	210 1/2	198 1/2	274	210	268	9
Amer. Tel. & Tel.	184 1/2	152	232 1/2	160	243 1/2	197	235 1/2	8
Amer. Tobacco Com.	76 1/2	62	180	60	117 1/2	88 1/2	112	1
Amer. Water Works & Elec.	32 1/2	14	27 1/2	5 1/2	20 1/2	7 1/2	14 1/2	..
American Woolen	120 1/2	54	140	67 1/2	81 1/2	69 1/2	75 1/2	7
Anaconda Copper Mining	28 1/2	11 1/2	12 1/2	5 1/2	8 1/2	5 1/2	6 1/2	..
Armour of Ill. Cl. A.	51 1/2	35 1/2	40 1/2	5 1/2	12 1/2	6 1/2	10	2 1/2
Arnold-Constable Corp.	75 1/2	40 1/2	70 1/2	25	45 1/2	28	41 1/2	..
Asso. Dry Goods	50 1/2	37 1/2	86 1/2	32 1/2	80 1/2	63 1/2	63 1/2	2
Atlantic, Gulf & W. I. S.S. Line	66 1/2	50	77 1/2	30	51 1/2	36 1/2	49 1/2	2
Atlantic Refining	..	..	..	..	263 1/2	175 1/2	261 1/2	4
Auburn Auto	..	..	..	..	..	..	..	..
Baldwin Loco. Works	285	235	60 1/2	15	33	30 1/2	34 1/2	1 1/2
Barnsdall Corp. Cl. A.	83	20	40 1/2	20	34	20 1/2	31 1/2	2
Beech Nut Packing	101 1/2	70 1/2	101	45	70 1/2	60 1/2	162	3
Bendix Aviation	..	..	104 1/2	25	57 1/2	32 1/2	54 1/2	2
Best & Co.	102	53 1/2	60 1/2	25	46 1/2	31 1/2	45 1/2	2
Bethlehem Steel Corp.	86 1/2	51 1/2	140 1/2	73 1/2	110 1/2	88	108	6
Bohn Aluminum	..	..	136 1/2	37	69	47 1/2	62 1/2	2
Borden Company	187	152	100 1/2	53	73 1/2	60 1/2	77 1/2	3
Borg-Warner	..	..	85 1/2	25	50 1/2	32 1/2	48	4
Briggs Mfg.	68 1/2	21 1/2	63 1/2	5 1/2	20 1/2	13 1/2	19 1/2	..
Bucyrus-Erie Co.	48 1/2	24 1/2	43 1/2	14	31 1/2	22 1/2	30 1/2	1
Burroughs Adding Mach.	240	139	96 1/2	29	51 1/2	43 1/2	49 1/2	1
Byers & Co. (A. M.)	206 1/2	90 1/2	199 1/2	50	110	80 1/2	106 1/2	..
California Packing	82 1/2	68 1/2	84 1/2	63 1/2	77 1/2	68 1/2	72 1/2	4
Calumet & Arizona Mining	133	89	186 1/2	73 1/2	89 1/2	74 1/2	76	6
Calumet & Hecla	47 1/2	20 1/2	61 1/2	25	38 1/2	26	27 1/2	4 1/2
Canada Dry Ginger Ale	86 1/2	54 1/2	84 1/2	48	72 1/2	53 1/2	73	3
Caso, J. L.	515	247	467	130	294 1/2	192 1/2	290	6
Caterpillar Tractor	..	..	61	50 1/2	73 1/2	54	76 1/2	3 1/2
Corro de Pasco Copper	119	58 1/2	120	52 1/2	68 1/2	57 1/2	63 1/2	6
Chesapeake Corp.	81 1/2	62 1/2	92	42 1/2	82 1/2	63 1/2	80 1/2	3
Childs Co.	64	37	75 1/2	44 1/2	67 1/2	57 1/2	62 1/2	2.40
Chrysler Corp.	140 1/2	54 1/2	135	26	41 1/2	33 1/2	40	3
Coca-Cola Co.	180 1/2	127	154 1/2	101	187 1/2	123 1/2	180 1/2	6
Colorado Fuel & Iron	84 1/2	52 1/2	72 1/2	27 1/2	77	36 1/2	74	2
Columbian Carbon	134 1/2	79	244	106	199	168 1/2	179 1/2	6
Colum. Gas & Elec.	140 1/2	89 1/2	140	82	86 1/2	80 1/2	83 1/2	2
Commercial Solvent	280 1/2	137 1/2	63	20 1/2	37 1/2	27 1/2	34 1/2	1
Commonwealth Southern	..	..	24 1/2	10	20 1/2	13 1/2	19 1/2	..
Conocochem-Nairn, Inc.	81 1/2	22	32 1/2	11	20 1/2	13 1/2	17 1/2	..
Consolidated Gas of N. Y.	170 1/2	74	123 1/2	80 1/2	131 1/2	96 1/2	123 1/2	4
Continental Baking Cl. A.	83 1/2	28 1/2	90	28 1/2	59 1/2	35 1/2	37 1/2	..
Continental Can, Inc.	123 1/2	53	92	40 1/2	71 1/2	50 1/2	63 1/2	2 1/2
Continental Motors	30 1/2	10	28 1/2	6 1/2	8 1/2	5 1/2	7	..
Continental Oil	..	..	47 1/2	43	30 1/2	19 1/2	23 1/2	..
Corn Products Refining	94	64 1/2	126 1/2	70	107 1/2	87 1/2	106 1/2	3 1/2
Cruible Steel of Amer.	93	60 1/2	121 1/2	71	93 1/2	84	88 1/2	5
Curtiss Wright, Common	..	..	30 1/2	6 1/2	14 1/2	6 1/2	14 1/2	..
Curtiss Wright, A.	..	..	37 1/2	13 1/2	19 1/2	13 1/2	18 1/2	..
Cudahy Packing	73 1/2	54	67 1/2	36	48	44 1/2	44 1/2	4
Davison Chemical	68 1/2	34 1/2	62 1/2	21 1/2	43 1/2	28 1/2	39 1/2	..
Drug, Inc.	120 1/2	80	120 1/2	69	87 1/2	77	81 1/2	4
Du Pont de Nemours	503	310	231	80	143 1/2	112 1/2	140 1/2	4.70
Eaton Axle & Spring	104 1/2	163	204 1/2	150	244 1/2	175 1/2	232	3
Electric Auto Lite	68 1/2	26	76 1/2	18	37 1/2	27 1/2	33	3
Elec. Power & Light	136 1/2	80	174	80	114 1/2	81	109 1/2	6
Elec. Storage Battery	49 1/2	22 1/2	35 1/2	22 1/2	39	26 1/2	32 1/2	1
Endicott-Johnson Corp.	91 1/2	60	104 1/2	53	79 1/2	59 1/2	75 1/2	5
Federal Light & Traction	85	74 1/2	83 1/2	49 1/2	59 1/2	52 1/2	154	..
Fox Film Cl. A.	71	42	109	60 1/2	90 1/2	59 1/2	80	1 1/2
Freeport Texas Co.	119 1/2	72	105 1/2	50	19 1/2	16 1/2	45 1/2	54
General Amer. Tank Car	100 1/2	43	54 1/2	23 1/2	49 1/2	38 1/2	45 1/2	5
General Asphalt	101	60 1/2	123 1/2	75	111 1/2	99 1/2	108 1/2	4
General Electric	94 1/2	68	94 1/2	42 1/2	71 1/2	49 1/2	69	4
General Foods	221 1/2	124	408	163 1/2	92 1/2	60 1/2	90 1/2	1.60
General Motors Corp.	..	..	81 1/2	25	55 1/2	46 1/2	50	3
General Railway Signal	224 1/2	130	31 1/2	33 1/2	52 1/2	37 1/2	51 1/2	3.30
Gillette Safety Razor	123 1/2	94 1/2	126 1/2	70	106 1/2	86 1/2	101	5
Gold Dust Corp.	123 1/2	97 1/2	143	80	106 1/2	81 1/2	87 1/2	5
Goodrich Co. (B. F.)	143 1/2	71	82	31 1/2	46 1/2	37 1/2	42 1/2	2 1/2
Goodyear Tire & Rubber	109 1/2	88 1/2	106 1/2	38 1/2	58 1/2	40 1/2	53	4
Granby Consol. Min., Smelt. & Fr.	140	45 1/2	154 1/2	60	96 1/2	62	90 1/2	5
Great Western Sugar	93	39 1/2	102 1/2	46 1/2	59 1/2	41	57	8
Gulf States Steel	38 1/2	31	44	23	34 1/2	28	31 1/2	2.80
Hemphill Chocolate	73 1/2	51	79	42	80	51 1/2	69	4
Houston Oil of Texas	..	..	..	..	..	..	..	..
Hudson Motor Car	72 1/2	30 1/2	143 1/2	45	107 1/2	70	98 1/2	5
Hupp Motor Car	167	79	101	20	110	82 1/2	101 1/2	..
Inland Steel	89 1/2	75	98 1/2	23	63 1/2	53 1/2	58 1/2	5
Inspiration Consol. Copper	84	29	82	14	25 1/2	20 1/2	24 1/2	2
Inter. Business Machines	..	..	..	..	..	..	..	..
Inter. Cement	..	..	..	..	..	..	..	..
Inter. Harvester	..	..	..	..	..	..	..	..
Inter. Nickel	..	..	..	..	..	..	..	..
Inter. Paper & Power "A"	..	..	..	..	..	..	..	..
Inter. Tel. & Tel.	..	..	..	..	..	..	..	..
Johns-Manville	..	..	..	..	..	..	..	..
Jewel Tea	..	..	..	..	..	..	..	..
Kennecott Copper	..	..	..	..	..	..	..	..
Kresge Co. (S. S.)	..	..	..	..	..	..	..	..
Kroger Grocery & Baking	..	..	..	..	..	..	..	..

100 Share or Odd Lots

If you desire to trade in odd lots of stock upon a marginal basis, please ask us to send a copy of our requirements on odd lot trading.

Consult our Statistical Department freely on investment matters. We shall be glad on request to analyze your present holdings.

Ask for booklet "Trading Methods" and our current Market Letter

Write Dept. MG-15

The services of our Foreign Department will be found of the greatest convenience to any one outside of the United States.

Cable Address—Chischap

HISHOLM & CHAPMAN

Members New York Stock Exchange
Members New York Curb Exchange

52 Broadway New York

M. J. MEEHAN & CO.

Members New York Stock Exchange

Investment Securities

NEW YORK WASHINGTON, D. C.

Branches in Several Cities and on board
S. S. Berengaria S. S. Leviathan
S. S. Bremen

**Complete Brokerage
and
Investment Service**

BRANCH OFFICES

2112 Broadway, New York

1451 Broadway, New York

5 East 44th St., New York

New Brunswick, N. J.

McClave & Co.

MEMBERS

New York Stock Exchange

New York Cotton Exchange

New York Curb Exchange (Associate)

67 Exchange Place
New York

Telephone Hanover 6222

**Russell, Miller
& Co.**

Members

New York Stock Exchange

New York Curb Exchange

120 Broadway, New York, N. Y.

Tel. Rector 4740

BRANCH OFFICES

San Francisco, Cal.—
1800 Russ Bldg.

Los Angeles, Cal.—
510 W. 6th St.—215 W. 6th St.

Long Beach, Cal.—136 Pine Ave.

Monterey, Cal.—
Flor de Monterey Bldg.

Portland, Ore.—208 Pacific Bldg.

Seattle, Wash.—
1411 Fourth Ave. Bldg.

Albany, N. Y.—75 State Street

Port Chester, N. Y.—Ryan Bldg.

**New York Stock Exchange
Price Range of Active Stocks**

INDUSTRIALS AND MISCELLANEOUS—(Continued)

L	1928		1929		1930		Last Sale 4/9/30	Div'd \$ Per Share
	High	Low	High	Low	High	Low		
Lambert Co.	136 1/2	79 1/2	187 1/2	80 1/2	113	97	109 1/2	8
Lehn & Fink	84 1/2	38	88 1/2	38	84	39 1/2	33	3
Liggett & Myers Tob.	122 1/2	85 1/2	108	80 1/2	118 1/2	91 1/2	113	5
Loew's Inc.	77	49 1/2	84 1/2	33	89	42 1/2	39	3
Loose-Wiles Biscuit	88 1/2	44 1/2	88 1/2	38 1/2	70 1/2	50 1/2	67	2.70
Lord & Taylor	48 1/2	20 1/2	51 1/2	14 1/2	38 1/2	16 1/2	26	..
M								
Mack Truck, Inc.	110	83	114 1/2	85 1/2	88 1/2	70	84 1/2	6
Macy (R. H.)	187 1/2	152	235 1/2	110	159 1/2	133	138 1/2	2
Magma Copper	75	48 1/2	82 1/2	38	82 1/2	45	49 1/2	5
Mathieson Alkali	190	117 1/2	78 1/2	29	61 1/2	37 1/2	45	2
May Dept. Stores	113 1/2	75	168 1/2	45 1/2	61 1/2	49	54 1/2	2
McKeesport Tin Plate	73 1/2	62 1/2	83	54	77 1/2	61	77	4 1/2
Mont. Ward & Co.	156 1/2	115 1/2	156 1/2	48 1/2	48 1/2	35 1/2	40 1/2	3
Murray Corp.	124 1/2	21 1/2	100 1/2	14 1/2	24 1/2	15	22 1/2	..
N								
Nash Motor Co.	113	80 1/2	118 1/2	40	58 1/2	45 1/2	48 1/2	6
National Biscuit	104 1/2	159 1/2	236 1/2	140	91 1/2	71	80 1/2	2.80
National Cash Register	104 1/2	47 1/2	148 1/2	59	83 1/2	60 1/2	69	4
National Dairy Prod.	133 1/2	64 1/2	86 1/2	38	56	45 1/2	53 1/2	2
National Lead	130	115	310	123 1/2	189 1/2	137	171	8
National Power & Light	46 1/2	21 1/2	71 1/2	23	56 1/2	32	52 1/2	1
Nevada Consol. Copper	42 1/2	17 1/2	62 1/2	23 1/2	32 1/2	26 1/2	28 1/2	3
North American Co.	97	58 1/2	188 1/2	66 1/2	130 1/2	93 1/2	127 1/2	3
O								
Otis Elevator	285 1/2	147 1/2	55	22 1/2	80 1/2	70 1/2	76 1/2	2 1/2
Otis Steel	40 1/2	10 1/2	55	22 1/2	38 1/2	30 1/2	36 1/2	2 1/2
P								
Pacific Gas & Electric	56 1/2	43 1/2	98 1/2	42	74 1/2	52 1/2	68 1/2	2
Pacific Lighting	85 1/2	69	145 1/2	58 1/2	107 1/2	73	101 1/2	3
Packard Motor Car	163	86 1/2	32 1/2	13	23 1/2	15 1/2	22 1/2	1
Paramount Public	66 1/2	47 1/2	75 1/2	38	77 1/2	48 1/2	73 1/2	4
Penn. (C. C.)	108 1/2	105 1/2	105 1/2	80	60	63	64 1/2	3
Phillips Petroleum	58 1/2	35 1/2	47	24 1/2	41 1/2	29 1/2	40	2
Prairie Oil & Gas	66 1/2	59 1/2	68 1/2	40 1/2	54	45	52 1/2	2
Prairie Pipe Line	65	48	65	40	54 1/2	45	52 1/2	2
Public Service of N. J.	53 1/2	41 1/2	127 1/2	54	115 1/2	81 1/2	112 1/2	3.40
Pullman, Inc.	94	77 1/2	99 1/2	73	89 1/2	81 1/2	85 1/2	4
Pure Oil	31 1/2	19	30 1/2	20	27 1/2	21 1/2	26 1/2	1 1/2
Purity Bakes	120 1/2	75	148 1/2	55	83 1/2	73	73	4
R								
Radio Corp. of America	420	38 1/2	114 1/2	29	62 1/2	34 1/2	57 1/2	..
Remington-Rand	36 1/2	23 1/2	57 1/2	20 1/2	44 1/2	25 1/2	41 1/2	1.60
Republic Iron & Steel	94 1/2	49 1/2	140 1/2	62 1/2	82 1/2	73	78 1/2	3
Reynolds (H. J.) Tob. Co.	105 1/2	126	60	39	58 1/2	49 1/2	53 1/2	2
Richfield Oil of Calif.	50	23 1/2	49 1/2	20	28 1/2	22 1/2	26 1/2	3
Royal Dutch	64	44 1/2	64	48 1/2	56 1/2	49 1/2	55	3.20
S								
Safeway Stores	201 1/2	171	195 1/2	90 1/2	123 1/2	93 1/2	100	5
Schulte Retail Stores	67 1/2	35 1/2	41 1/2	3 1/2	13 1/2	4 1/2	11 1/2	..
Sears, Roebuck & Co.	197 1/2	83 1/2	181	80	100 1/2	81 1/2	87 1/2	..
Shell Union Oil	39 1/2	23 1/2	31 1/2	19	26 1/2	21 1/2	24 1/2	1.40
Simmons Co.	101 1/2	55 1/2	188	59 1/2	94 1/2	43 1/2	50	3
Sinclair Consol. Oil Corp.	46 1/2	37 1/2	48	21	32	21 1/2	30 1/2	2
Skelly Oil Corp.	48 1/2	28	49 1/2	20	31 1/2	23 1/2	40 1/2	2
Standard Brands	44 1/2	24 1/2	44 1/2	20	31 1/2	23 1/2	35 1/2	1 1/2
Standard Gas & Elec. Co.	84 1/2	57 1/2	245 1/2	73 1/2	124 1/2	103 1/2	117 1/2	3 1/2
Standard Oil of Calif.	80	53	81 1/2	51 1/2	73 1/2	55 1/2	70 1/2	2 1/2
Standard Oil of N. J.	59 1/2	37 1/2	83	45	80 1/2	58	78 1/2	2
Standard Oil of N. Y.	48 1/2	23 1/2	48 1/2	31 1/2	38 1/2	31 1/2	37 1/2	1.60
Sterling Securities, A.	..	..	..	..	..	..	..	..
Stewart-Warner Speedometer	128 1/2	77 1/2	77	30	47	38	43 1/2	3 1/2
Stone & Webster	..	..	301 1/2	64	113 1/2	77	109 1/2	4
Studebaker Corp.	87 1/2	87	98	38 1/2	47 1/2	40	42 1/2	5
T								
Texas Corp.	74 1/2	50	71 1/2	50	59 1/2	50 1/2	53 1/2	3
Texas Gulf Sulphur	82 1/2	62 1/2	85 1/2	40 1/2	67 1/2	54 1/2	64	4
Texas Pacific Coal & Oil	26 1/2	12 1/2	23 1/2	9 1/2	14 1/2	8 1/2	12 1/2	..
Tide Water Assoc. Oil	25	14 1/2	23 1/2	10	17 1/2	10 1/2	17 1/2	.60
Timken Roller Bearing	154	118 1/2	139 1/2	55 1/2	37 1/2	70 1/2	86	3
Transcontinental Oil	14 1/2	6 1/2	18 1/2	8 1/2	20 1/2	16 1/2	19 1/2	.30
U								
Underwood-Elliott-Fisher	98 1/2	63	121 1/2	33	138	97 1/2	122 1/2	5
Union Carbide & Carbon	209	136 1/2	140	59	106 1/2	76	102 1/2	2.60
United Aircraft & Trans.	..	..	163	31	99	63 1/2	94 1/2	..
United Oil Stores	94 1/2	23 1/2	27 1/2	3	4	3	6 1/2	..
United Corp.	..	..	75 1/2	19	46 1/2	30 1/2	45 1/2	..
United Fruit	148	131 1/2	158 1/2	90	105	82 1/2	97 1/2	4
United Gas Imp.	..	..	59 1/2	32	45 1/2	31 1/2	44 1/2	1.20
U. S. Pipe & Fdy.	53	38	243 1/2	95	37 1/2	13 1/2	37	2
U. S. Industrial Alcohol	138	109 1/2	55 1/2	12	139 1/2	98 1/2	108	7
U. S. Realty	93 1/2	61 1/2	119 1/2	50 1/2	75 1/2	60	73	5
U. S. Rubber	63 1/2	37	66	15	34 1/2	21 1/2	32 1/2	..
U. S. Smelting, Ref. & Mining	71 1/2	39 1/2	72 1/2	29 1/2	36 1/2	29	32 1/2	3 1/2
U. S. Steel Corp.	172 1/2	135 1/2	261 1/2	150	198 1/2	166	194 1/2	7
V								
Vanadium Corp.	111 1/2	60	116 1/2	37 1/2	124 1/2	49 1/2	113 1/2	4
W								
Warner Brothers Pictures	139 1/2	80 1/2	64 1/2	30	80 1/2	38 1/2	73 1/2	4
Western Union Tel.	301	139 1/2	272 1/2	155	219 1/2	177	188	8
Westinghouse Air Brake	57 1/2	42 1/2	67 1/2	26 1/2	52	43 1/2	47 1/2	2
Westinghouse Elec. & Mfg.	144	85 1/2	298 1/2	100	195	140	155	5
White Motor	43 1/2	30 1/2	63 1/2	27 1/2	43	31	41 1/2	1.20
Willys-Overland	33	17 1/2	33	15	34 1/2	21 1/2	32 1/2	..
Woolworth Co. (F. W.)	223 1/2	178 1/2	103 1/2	35	75 1/2	75	104	1.80
Worthington Pump & Mach.	55	35	137 1/2	43	139 1/2	67 1/2	134	2.40
Y								
Youngtown Sheet & Tube	113 1/2	83 1/2	143	91	180 1/2	108	148 1/2	8

* Ex-dividend. † Bid Price. ‡ Strip.

Securities Analyzed, Rated and Mentioned in This Issue

Industrials

American Machine & Foundry.....	1020
Archer-Daniels-Midland Co.....	1042
Associated Dry Goods Corp.....	1043
Brown Shoe Co.....	1032
Cutler-Hammer, Inc.....	1016
Drug, Inc.....	1018
General Railway Signal Co.....	1042
Goodyear Tire & Rubber Co.....	1032
Ingersoll-Rand.....	1020
Lehn & Fink Products Co.....	1044
Otis Steel Co.....	1044
Union Carbide & Carbon.....	1042
United Carbon.....	1017
U. S. Pipe & Foundry.....	1016

Bonds

Remington-Rand, 5½s, 1947.....	1010
--------------------------------	------

Petroleum

Oil Stocks With Profit Possibilities, Some.....	1007
Texas Corp.....	1018
Vacuum Oil Co.....	1046

Public Utilities

United Gas Improvement Co., The..	1014
-----------------------------------	------

Mining

Kennecott Copper Corp.....	1044
----------------------------	------

Railroads

Chicago & Northwestern Ry.....	1017
Reading.....	1012

Important Corp. Meetings

Company	Specification	Date of Meeting
Amer. Home Products.....	Com. Div'd	4-24
Amer. Metal Co.....	Com. & Pfd. Div'ds	4-24
Amer. Tobacco Co.....	Com. & 'B' Div'd	4-30
Atchafalaya, E. & St. F. Ry.....	Annual	4-24
Atlas Power.....	Com. Div'd	4-30
Bendix Aviation.....	Com. Div'd	4-28
Bethlehem.....	Com. & Pfd. Div'ds	4-24
Brooklyn Edison.....	Com. Div'd	4-28
Burns Bros.....	Dividend	4-28
Calumet & Arizona.....	Annual	4-21
Central R. E. of N. J.....	Com. Div'd	4-24
Chicago, R. I. & Pacific.....	Special	5-2
Coca Cola Co.....	Com. Div'd	4-27
Consol. Gas.....	Com. Div'd	4-24
Coty.....	Annual	4-21
Deere & Co.....	Dividend	4-28
Delaware & Hudson Co.....	Com. Div'd	4-30
Fairbanks-Morse.....	Dividend	4-28
Federal Motor Truck.....	Com. Div'd	4-28
Gen. Asphalt.....	Pfd. Div'd	4-29
Gen. Motors.....	Annual	4-30
Gen. Refractories.....	Com. Div'd	4-28
Household Products.....	Com. Div'd	4-24
Hudson & Manhattan.....	Com. Div'd	4-24
Ill. Central R. E.....	Com. Div'd	4-29
Inland Steel.....	Com. Div'd	4-29
Libby-Owens.....	Com. Div'd	4-28
Liggett & Myers.....	Com. & 'B' Div'd	4-30
N. Y. Chic. & St. L. E. R.....	Dividend	4-30
Norfolk & West. E. R.....	Com. Div'd	4-28
Otis Elevator.....	Annual	4-28
Pennsylvania R. E.....	Dividend	4-28
Pierce-Arrow.....	Pfd. Div'd	4-28
Pressed Steel Car.....	Pfd. Div'd	4-28
Pub. Service (N. J.).....	Annual	4-21
Savage Arms.....	Dividend	4-29
Stewart-Warner.....	Com. Div'd	4-25
Studebaker.....	Dividend	4-30
U. S. Pipe & Fdy.....	Annual	4-21
U. S. Steel.....	Dividend	4-29
Westaco-Chlorine.....	Com. Div'd	4-24
White Motor.....	Com. Div'd	4-28
Wright Aero.....	Dividend	4-28

Remington-Rand

(Continued from page 1011)

contrasted with 35 cents per share earned in the corresponding months of 1928. It is immediately evident from these results that the management has experienced further success in bettering the company's operating efficiency and the elimination of certain trade practices undoubtedly contributed to the improvement.

Tangible recognition was accorded larger earnings by the resumption of dividends on the common stock, passed in 1927, by the special payment of 50 cents per share and the subsequent establishment of an annual rate of \$1.60. This basis appears to be readily supportable by prospective earnings of about \$4 per share for the fiscal year ended March 31st, 1930, and the company's longer term prospects as they shape up at the present time inspire a confident attitude. The company's large and growing foreign business will probably take up some of the slack in domestic orders resulting from conditions existing during the first half of the current year and at the present time there appears to be no logical basis for anticipating more than a moderate, if any, recession in profits for the current fiscal period.

The debenture 5½s are a credit obligation, being unsecured by mortgage, but the demonstrated ability of the company to earn the required interest charges by an excellent margin and the substantial junior equities represented by the current market value of the preferred and common stocks, entitles the bonds to an investment rating. The operation of a sinking fund will retire about 60% of the issue prior to maturity and the bonds are callable in whole or part at 105 to May 1st, 1932, after which time the call price is successively reduced. The issue carries detachable warrants giving holders the privilege of purchasing 2½ shares of common stock for each \$500 of debentures at the following prices: \$55 a share to November 1st, 1930; \$65 a share to May 1st, 1932; \$75 a share to November 1st, 1934; and \$85 a share to May 1st, 1937. At existing quotations around 42 for the common stock no value attaches to the warrants at the present time but with the company now established as one of the dominant factors in its field and promising future growth along lines likely to enhance the investment and market value of its securities, the stock purchase privilege is not without interesting possibilities. Prevailing quotations for the bonds, in the neighborhood of 100, afford purchasers an income return of 5½%.

Multiply Your Money

The entire net income of every French Building is paid to its investors until their original investment—plus 6% dividends—has been repaid to them in full.

Then—without one dollar of investment—they receive thereafter 50% of all net operating profits.

By re-investing your original capital in other French Buildings as it is repaid, you create a series of income producing equities without the investment of any new capital.

You first own an income producing equity in one building, then in two buildings, then in three buildings. In this manner your money is actually multiplied under

The FRENCH PLAN

If you are not already familiar with this plan of real estate investment—now fully proven by years of successful operation—tear out the coupon—now—and mail it—today!

SPECIAL COUPON

MW56

The Fred F. French Investing Co.,
551 Fifth Avenue, New York, N. Y.
Please send the 74-page book "THE FRENCH PLAN" without cost or obligation to

UTILITY SECURITIES COMPANY



230 So. La Salle St., CHICAGO
New York St. Louis Milwaukee Louisville
Indianapolis Detroit Minneapolis
Richmond San Francisco

Securities Market

**NEW YORK
PRODUCE EXCHANGE**
(Incorporated 1862)

BONDS

**UTILITY, INDUSTRIAL
AND RAILROAD**

Increased activity in bonds has been stimulated on this Exchange by public demand for this type of security.

A list of bonds traded here can be obtained by applying to Room 216, No. 2 Broadway, New York City.

"Is It Impossible?"—A
booklet that every investor should read. It will be mailed to you, without obligation, upon request.

Send for it today



Founders Securities Trust

Fiscal Agents
National Union Bank Building
209F Washington St., Boston
37 Wall Street, New York

Southwest Dairy Products Co.

7% Cumulative Preferred Stock (With Conversion Privilege)

- (1) Preferred as to assets and cumulative dividends.
- (2) Balance sheet reflects net assets of over \$200 for each share of preferred stock outstanding.
- (3) Earnings first 9 months of 1929 over 2.67 times preferred stock dividend requirements.
- (4) Yields about 7½% at present price.
- (5) Offers favorable prospects of market appreciation.

Write for Circular 164

**GEORGE M. FORMAN
& COMPANY**

Investment Securities Since 1885
112 W. Adams St., Chicago
120 Broadway, New York

Business Labors on the Upgrade

(Continued from page 1001)

savings in man-power reports that four new records in sales volume have been set up so far this year. He says that even dull centers have purchased more of this commodity during 1930 than ever before. Architects are confessedly looking around for new materials and new methods of building which will reduce the total cost of construction. Manufacturers are on the search for improved machinery and methods which will reduce the costs of production. Goods which have proved their worth in that regard have been selling in considerable volume.

This picture, as dark as it may appear to many, is incomplete unless we consider the future in the light of what has occurred in the past. The present reactions in the volume of business are measured from the extreme peak of activity of 1929. Judged by any other standard, this would be regarded as highly satisfactory. Business is still favorably comparable with the volume maintained in 1928. Credits and collections are not nearly so difficult as they were upon a number of instances since 1920. But it is the fact that managements have been compelled to face a decline rather than an upturn which makes the situation more difficult. Business men find their problems much simpler during a time when trade is increasing. Then they do not have to give special considerations to their costs or credit standing. When the reverse sets in they are suddenly called upon to give most careful scrutiny to all of these things.

Under such circumstances, of course, many business men are tempted to discharge employees, to refrain from using bank credit and to adopt extraordinary methods of husbanding their individual resources. In the present instance there exists a greater community of interest between American business. Through mergers this has been brought about somewhat. But probably through the extension of chain banking and the centralization of banking resources. American industries have been brought into harmonious groups more effectively than at any other previous time. A community of interest, where it can be effectually expressed as is frequently the case through bank ownership, is one of the most potent agencies for checking the panicky acts that are indigenous to small private independent businesses.

This communal interest is today a more potent influence than anything

we have experienced before. It has resulted in a sympathetic attitude on the part of governing officials throughout the country, and that sympathy has been reflected in a very practical manner by the many and increased construction appropriations made. The Federal government has authorized an appropriation for public roads and for new public buildings in an amount twice what it was during 1929. The state governments and the various municipal authorities have likewise turned their attention to this same means of giving work to the unemployed.

Such tactics are slowly putting a vast sum of money back into the hands of those consumers whose needs are most acute. And such expenditures immediately find their way into the channels of commerce through the thousands of retail outlets in the country. This trend must assuredly be kept in mind in any appraisal of the business outlook for it affords the most reasonable proof of the sales executives' confidence in the turn that is in prospect. That the worst of the depression is over and that from this point on sales volumes should increase is the general view. By all counts April should definitely record the change. It may still be necessary to fight for the business but it will be much more worth while to fight over.

Reading

(Continued from page 1013)

value of Reading's common stock is exceptionally high.

Reading is a well managed railroad property, strategically located. It has been built up to its present state of efficiency through the investment of substantial sums of money. The company since 1902 has not sold any securities. It is true that the earning power does not appear very high, but, as already suggested, this has been obscured by inordinately heavy expenditures on maintenance of way. While the road has been definitely assigned to the Baltimore & Ohio, it is doubtful if its greatest independent possibilities have as yet been reflected marketwise.

While there is no way of determining what the minority shareholders will be offered, it is quite conceivable that they will be treated fairly, inasmuch as the present market quotation does not reflect the true merger value of the property. Regardless of mergers, however, the management has demonstrated its ability to build up Reading's traffic, notwithstanding the fact that the greatest proportion thereof is received in



A Low-Priced Bargain Stock

FROM hundreds of listed securities, we have chosen a low-priced issue that appeals to us as meeting all the qualifications of an outstanding Bargain Stock. It should be bought by all foresighted investors.

This stock we now are strongly recommending in the form of a Special Stock Market Letter.

Our last Special Letter advocated the purchase of General Electric. It was described as one of the best buys on the board. General Electric was available to our subscribers February 24 at $72\frac{3}{4}$. In a little over ONE MONTH General Electric reached $92\frac{1}{4}$. Here is a profit of 53% on a 50% marginal basis in LESS THAN SIX WEEKS!

As indicated above, we have now discovered another Bargain Stock. While this security is low-priced, it represents nevertheless one of our Premier Industrials.

We believe that the immediate purchase of this low-priced issue will return most desirable profits over the NEAR TERM as well as the long term. We do not believe, however, that this stock will long be available at current deflated levels.

If you wish to take advantage of this unusual opportunity while it is still available, simply mail us the coupon below and a copy of the Special Letter recommending this Bargain Stock will be sent to you without cost or obligation. Simply mail the coupon below.

Investors Research Bureau, Inc.

Chimes Bldg., Syracuse, N. Y.

INVESTORS RESEARCH BUREAU, INC.
Div. 559, Syracuse, N. Y.

Kindly send me a specimen copy of your Special Stock Market Letter recommending a low-priced Bargain Stock. Also a copy of "MAKING MONEY IN STOCKS."
This does not obligate me in any way.

Name
Office Address
Home Address
City..... State.....

Important: Print your name and address plainly so you will be sure to get this material.



**YOU CAN
be SURE of \$5,000**

REGARDLESS of market or business "ups and downs," a trifle over a dollar a day builds you a certain cash reserve of \$5,000 in 120 months, aided by $\frac{5}{8}\%$ COMPOUND interest. Larger or smaller amounts in proportion. Make sure of a sound reserve fund—build it by this certain, convenient method, guaranteed by Investors Syndicate, the oldest and largest institution of its kind.

Ask for full information on this tested plan—used by 170,000 investors.

ASSETS OVER \$33,000,000

**INVESTORS
SYNDICATE**

FOUNDED 1894
MINNEAPOLIS

NEW YORK LOS ANGELES
OFFICES IN 51 PRINCIPAL CITIES

MW

**The
Bellevue
Stratford**

PHILADELPHIA
Centrally located
BROAD &
WALNUT



The choice of discriminating
Philadelphians and particular
travelers.

Famous for its courteous service
and homelike environment.

J.M. ROBINSON, Managing Director

**NATIONAL WATER
WORKS SECURITIES**

For complete information ask for MB 15

DETWILER & CO.

INCORPORATED
Financing-Engineering-Management of Public Utilities
11 BROADWAY, NEW YORK

connections. Currently selling around 125 and returning 3.2% annually, the yield is rather low, but the prudent investor must give due consideration to the possibilities of further enhancement, which greatly outweighs the low yield obtainable.

Answers to Inquiries

(Continued from page 1032)

and we see no urgent reason for disturbing present commitments.

UNION CARBIDE & CARBON

Do you think that the current market price of Union Carbide common has discounted its nearby prospects? I can get out even on 25 shares bought last October but hesitate to do so if my stock is going to have a run-up on account of Union Carbide's interest in the proposed Zeppelin Ocean Line. What is your recommendation under the circumstances?—A. J. G., Chicago, Ill.

The report of Union Carbide & Carbon Corp. for 1929 reflects the greatest year of progress in the history of the company. It holds true not only in growth of earning power but also in the development of new divisions of the business and of new products with a potentially greater field. Of paramount importance are the strides made in new chemical and metallurgical operations. Substantial business in the new metallic products, notably chromium, was largely due to the almost universal use of chromium plating on automobile metal work. It is difficult to state how large a portion of the \$35,427,027 net profit, or \$4.19 a share, came from these new divisions, but it is likely that income from the electro-metallurgical division is already substantial. Benefits which may reasonably be expected from the concern's interest in the International Zeppelin Transport Corp., which proposes to establish a trans-atlantic airship service between the United States and Europe, are of no immediate consequence and have little bearing on the position of the common stock at this juncture. Interests of Union Carbide as referred to above, are only a comparatively small part of the activities of this important and well rounded organization. Thirty-four subsidiary units are engaged in the manufacture and sale of an extensive list of products having a constant and steadily growing public and industrial market. It is readily apparent that not only the dimension but the diversity of activities and output practically guarantees immunity for the company from de-

pendence upon any single product or industry and creates a highly desirable element of stability in earning power. Thus, while the shares have enjoyed a good market advance, they do not appear too high in the light of reasonably long range possibilities.

GENERAL RAILWAY SIGNAL CO.

General Railway Signal has been recommended to me for investment by a conservative house, but I would like to receive your advice before I buy. What are the nearby prospects of this company?—E. M. F., Omaha, Neb.

The General Railway Signal Co., the outstanding unit in the railway signal industry, recently completed the second best year in its history. Net income for the 12 months ended December 31st, 1929, equalling \$8.25 per share of common stock, as against \$5.25 for 1928. Earnings last year compare with \$11.61 reported in the record year 1926. The company began the current year in a highly favorable position with orders on its books 99% higher than those of a year earlier. This indicates a good year, and it is possible that the results will be as satisfactory as those in 1929, if not more so. General Railway Signal handles about one-half of the total domestic production of block signal apparatus, train control systems and other operating devices, and with railroads seeking means to reduce operating costs by use of such apparatus the strong position of the company can readily be visualized. In addition, the company received a substantial amount of foreign business, and the export field has been but little more than scratched. First quarter earnings are expected to cover the \$1.25 quarterly dividend by a fair margin, as compared with only 76 cents a share earned in the first three months of 1929. With the company in a strong financial position and earnings on the uptrend, we are of the opinion that purchasers who hold for the longer term will be rewarded.

ARCHER-DANIELS-MIDLAND CO.

How do you rate Archer-Daniels-Midland common? Is the \$2 dividend safe? I understand the volume of new business so far this year has not been large. Would you advise me to hold 75 shares which cost me around 36 on the average?—F. T. J., Albany, N. Y.

Archer-Daniels-Midland Co., an important producer of linseed oil reported for the six months ended March 1st, 1930, net income of \$806,160 equal to \$1.22 on 549,546 shares

after preferred requirements, compared with net of \$640,638 or \$1.02 on 480,852 shares for the corresponding period of 1929. Earnings have shown a steady upward trend in recent years, with the exception of 1928 when net declined about 28% from the 1927 figure. On the basis of the recent gains, earnings from \$2.50 to \$3 per share for the full year seem possible, but owing to the business uncertainties which still prevail, no definite estimate can be given. It was officially reported that the outlook is favorable and that the tariff possibilities were particularly encouraging. It is felt that the company has been assured protection against the importation of foreign oils on a cheaper basis than linseed oil can be produced in this country. Regular dividends have been paid on the preferred, and distributions on the common at the rate of \$2 a share have been maintained since May 1st, 1929, following 100% stock dividend paid on that date. For the full current year the dividend should be earned, although not by a wide margin. No change is contemplated in the dividend rate as the profitable years prior to the 1928-29 fiscal year built up a substantial surplus sufficient to maintain the dividend for an extended period, but with the outlook improving it is not likely that it will be necessary to dip into the surplus to take care of such payments. The common shares must be regarded as a speculation of the more radical type, but, as such, are not without a degree of merit and present holders willing to assume the corresponding degree of risk might retain as opposed to a sacrifice sale.

ASSOCIATED DRY GOODS CORP.

I assume that the recent advance in Associated Dry Goods common was in anticipation of the Easter season. Has the time come to sell, therefore, even though I would take a small loss on 50 shares bought last October? I shall be guided by your advice.—H. D. O., Cleveland, Ohio.

The Associated Dry Goods Corp. is a holding company, with a chain of eight department stores; two in New York City, two in Buffalo and one each in Newark, Louisville, Baltimore and Minneapolis. The ownership of the stores is 100%, except that of Lord & Taylor, New York, the leading unit of the system, and the most profitable. In this, the company owns an 88% interest. For the year ended January 31st, last, operating income increased 1.1% over that for the previous year, although a decline of 2.6% was reported in net income. Per share returns for the past year:

A telephone for every six people



TODAY there is a Bell telephone for every six people in the United States. This compares with one telephone for every nine people in 1920, one for every sixteen in 1910, and one for every ninety persons in 1900.

The business of the Bell System has both stability and growth. The interests that it serves are as diversified and as widespread as the nation itself. The growth of the System is not only due to the growth in population, but to a constantly increasing growth of the telephone habit.

In order to meet this growing

demand, construction expenditures of the Bell System during the last five years have been more than \$2,000,000,000, and it is estimated that similar expenditures during the next five years will be well in excess of this amount.

The present assets of the System total more than four billion dollars, only 25% of which is represented by funded debt. Because of its conservative capitalization, net earnings are more than four times interest requirements.

May we send you a copy of our booklet, "Bell Telephone Securities"?

BELL TELEPHONE SECURITIES CO. Inc.

195 Broadway, New York City



WE extend the facilities of our organization to those desiring information or reports on companies with which we are identified.

Electric Bond and Share Company

Two Rector Street

New York

Customers, Earnings, Assets

Doubled!

Associated System growth and additions of properties during 1929 doubled the number of customers served, and more than doubled the earnings and assets.

The \$1.60 Interest Bearing Allotment Certificates of the Company, priced at \$27, yield about 6%.

Send for Circular D-80.

Public Utility Investing Corp.

61 Broadway New York City



Investment Suggestions

To yield from

Railroad Bonds.....4.27% to 5.80%
Miscel. Bds. & Stks..5.63% to 6.93%
Pub. Util. Bonds....4.83% to 7.34%
Pub. Util. Pfd. Stks..5.62% to 7.69%
Foreign Bonds5.07% to 7.74%
Pub. Util. Com. Stks.10% in stock

Copies on request

PYNCHON & CO.

Members New York Stock Exchange

111 Broadway New York

112 W. Adams St. 408 Broadway
Chicago Milwaukee

LONDON LIVERPOOL MANCHESTER

6% Interest Guaranteed Plus Extra Participation

American Cash Credit Corporation Guaranteed 6% Gold Debenture Profit Sharing Coupon Bonds. Principal and interest guaranteed by the National Cash Credit Ass'n. with resources of over \$17,000,000. Unusually attractive for investors.

Circular MGW on request

National Cash Credit Corp.
40 Journal Square, Jersey City, N. J.

equalled \$3.41 on the common, as compared with \$3.49 in 1928-29 on a slightly larger capitalization. Current assets at the end of the fiscal year, including cash of \$8,686,500, were over four times current liabilities of \$6,739,000, indicating a strong financial position. In spite of the fact that March, 1929, included Easter trade, the business of the company in March, 1930, showed a gain over last year in six out of the eight stores. This apparently foreshadows a year that should prove to be moderately more profitable than has been enjoyed for some time, and improved earnings should also be a logical result of the nearly completed program of revamping both physical equipment and operating personnel of the wholly owned units. The shares at levels currently prevailing are not undervalued in relation to earnings, but seasonal improvement may be expected during the course of the year which would doubtless be reflected in some advance of the shares marketwise and present holders seem warranted in retaining.

OTIS STEEL CO.

Shall I continue to hold 50 shares of Otis Steel common for which I paid 47? With its merger possibilities and annual dividend payment of \$2.50 I think this stock should sell well over 40. Its market action does not show that any good news is due to come out in the near future. Would you advise taking the loss I have and try to invest my funds to better advantage?—S. M. G., Detroit, Mich.

There were two developments of importance last year in connection with the Otis Steel Co., one of the important smaller units in the steel industry. In October, the common stock was placed on an annual dividend basis of \$2.50 a share, marking an important step in the company's progress. A month later a license agreement was effected with the American Rolling Mill Co., whereby Otis Steel would have the use of the continuous rolling mill process of the former concern. Production costs have been lowered approximately \$10 a ton since 1925 and this new process should allow a further reduction. Earnings of Otis Steel for the full year 1929 were equivalent to \$3.41 per share of common stock, while in 1928, \$3.15 a share was reported on a slightly smaller capitalization. Profits last year were realized largely as a result of operations for the first three quarters, \$3.90 a share having been earned in that period. The final three months witnessed a sharp drop in operations but the recession in steel trade gave evidence of correction at the beginning of the current year and operations are now at about 80% of capacity. While market action of the shares probably will be slow, pending

definite indications of improvement in the steel trade, the company holds an important position in the industry, is strategically situated from a possible merger angle, and is in a strong financial position. Our suggestion is to retain, ignoring intermediate market fluctuations.

LEHN & FINK PRODUCTS CO.

What seems to be retarding the market action of Lehn & Fink? The stock is now selling only four points above its low of last November. Does this indicate fundamental weakness in the company and that the \$3 dividend may be passed? Shall I continue to hold 25 shares which cost me 57?—G. E. B., Newark, N. J.

The net income of the Lehn & Fink Products Co. for 1929 showed a decline of 10% from 1928 results, per share earnings being equal to \$4.10 as compared with \$4.59 in 1928. The loss probably was due to heavy advertising expenses rather than a decline in gross sales, as sales for the first seven months of the year jumped 10%. The company spent large sums last year in exploiting the products of its important subsidiaries, Lesquendieu, Inc., acquired in 1929 and Dorothy Gray, acquired in 1926. An intensive advertising campaign was carried on in marketing the products of Dorothy Gray, and expenses in connection with the development period have now been eliminated. While no profit has been reported as yet from Dorothy Gray, the subsidiary's sales volume has increased 200%, and it is likely that this company soon will augment earnings of the parent concern. Operations of Lesquendieu, Inc., are still in the development stage but its products are being extended into new fields through the Lehn & Fink advertising campaign. While we look for no near term advance for the shares, the dividend is being earned by a sufficient margin to warrant its retention, and the present market level seems to have adequately discounted the worst aspects of the situation. Provided it is your plan to retain over the somewhat longer term, we see no reason for disturbing holdings.

KENNECOTT COPPER CORP.

What is the outlook for the coppers particularly Kennecott at this time? I paid 80 for 30 shares last October and have never had a chance to get out even. Shall I average now in anticipation of seasonal building activity? Do you regard Kennecott's \$5 dividend as being secure?—E. M. L., Brooklyn, N. Y.

The Kennecott Copper Corp. with its subsidiaries, in 1929 earned roughly \$62,500,000 after depreciation and federal taxes, with pro-rata earnings from its interest in Nevada and Mother Lode Coalition. This is equal

11 Points Profit in 2 Weeks on General Electric

MORE profits for subscribers to The Investment and Business Forecast of The Magazine of Wall Street—

General Electric—an “Unusual Opportunity”—was recommended by wire on March 28th around 82. It was closed out by wire on April 11th around 93—with a profit of 11 points in two weeks on each share.

This is another illustration of the very satisfactory profits that accrue right along to our subscribers in the “Unusual Opportunities in Securities” department—through definite, individual telegrams from us advising when to buy and when to close out.

One Outstanding Stock Recommended Each Week

The consistent profits available through our “Unusual Opportunities in Securities” department appeal to everyone interested in the market—especially to those trying to recover substantial losses. This department can be followed very readily with limited funds for only one recommendation is made each week.

To those who request it, this weekly recommendation is sent by telegram on the Friday preceding the Tuesday on which the printed analysis of the stock is

mailed. It is then carried in a running record until definitely closed out.

A COMPLETE TABULATION of the results that could have been secured through this department in the past five months will be mailed to you on request. Our subscribers who followed these advices during these five months have been able to take actual cash profits of \$1140 on a 10 share basis and at no time would have carried more than 60 shares of stock.

Place your subscription NOW and we will:

- telegraph or cable you the current weekly recommendation of our “Unusual Opportunities in Securities” department and wire you usually on Friday the recommendation to be analyzed in our regular edition to be mailed you the following Tuesday. Definite closing out advices are also given in this department which is chiefly for the semi-investor;
- mail you the regular weekly and all special issues of The Investment and Business Forecast for six months, including our Bond Department, Preferred Stocks for Investment, Technical Position of the Market Review, Charts, Business Outlook, Trade Tendencies, etc.;
- telegrams or cables in private code, if requested (cables cannot be sent collect);
- analyze your present and contemplated holdings upon request at any time during the terms of your subscription and tell you what to do with each security—hold or sell; and also answer questions concerning the status of your broker through our Personal Service Department. Our Personal Service will help you recoup any losses you may now have and The Forecast will establish you in a sound, income-making, market position.

**THIS
COMPLETE
SERVICE
FOR ONLY
\$75**

The Investment and Business Forecast

is the only security advisory service conducted by or affiliated in any way whatever with The Magazine of Wall Street.

MAIL THIS COUPON TODAY

THE INVESTMENT AND BUSINESS FORECAST
of The Magazine of Wall Street, 42 Broadway, New York, N. Y.

Apr. 19

Cable Address: TICKERPUB

I enclose \$75 to cover my six months' test subscription to The Investment and Business Forecast. I understand that I am entitled to the complete service outlined above. (\$150 will cover a 13 months' subscription.)

Name

Street and No.

City..... State.....

☐ Telegraph me collect the current weekly recommendation of your “Unusual Opportunities in Securities” department and every week thereafter, as mentioned in (a).

THE
Opportune
Time
to purchase the
Bond & Share Units
of
Industrial Credit
Corp.

*Common stock goes ex-dividend
April 30, 1930.*

Units ordered up to April 29, 1930,
will be entitled to the full quarterly
dividend of \$1.62½, payable May 15,
1930.

Felix Auerbach Co.
Sole Distributors
280 Broadway New York
Advt. No. 414

National Screen Service
Corporation

*An important factor in the
Motion Picture Industry*

Listed on New York Curb Exchange
Analysis on request

Samuel Ungerleider
& Company

Members New York Stock Exchange
50 Broadway New York
Telephone Digby 6400
Uptown Offices:
1372 Broadway 400 Madison Ave.
551 Fifth Ave.

LITHOGRAPHED
LETTERHEADS

\$1.25 per 1000
IN LOTS OF 50,000
25,000 at \$1.50—12,500 at \$1.75 or
6,250 our Minimum at \$2.25 per 1000
Complete—inc. outline paper and
delivery in Greater New York
ON OUR 20 LB. WHITE
PARAMOUNT BOND
A Beautiful, Strong, Snappy Sheet
ENGRAVINGS AT ACTUAL COST
GEO. MORRISON COMPANY
552 West 22nd St. New York City
SEND FOR BOOKLET OF PAPER AND ENGRAVINGS

to around \$6.65 a share on approximately 9,364,000 shares outstanding and compares with pro-rata share earnings of around \$11.50 in 1928 on the 4,552,036 shares outstanding at the end of that year. Calculated on the same share basis, 1929 estimated net of \$62,500,000 would be equivalent to \$13.72 per share. Due to reduced sales during the last three months and increased stocks, the company's output has been curtailed materially. The present curtailment probably is somewhat greater than the situation seems to call for, but the slowness with which large copper consumers are proceeding and the hand-to-mouth manner in which they are covering their current requirements, indicates clearly the wisdom of a somewhat more drastic cut in output than actual world consumption would probably warrant. It is yet too early in 1930 to definitely estimate the world's copper consumption this year, but there is strong probability that consumption of copper during the second half year will be larger than in the first half, although falling about 500,000,000 pounds short of 1928 and 1929. Nevertheless, at that rate, Kennecott would have little difficulty in maintaining the present dividend payments. The copper shares can only be regarded in a speculative light and as long as there is a likelihood of a reduction in copper metal prices, copper issues will probably remain in a retarded position marketwise. However, Kennecott appears fairly well deflated and we would not oppose additional commitments on moderate reactions, provided you are willing to retain over an extended period.

VACUUM OIL CO.

Will you please let me have your analysis of Vacuum Oil common in view of the proposed consolidation with the Standard Oil Company of New York? Vacuum seems to be marking time now around 92. Shall I sell in anticipation of getting it back cheaper? My stock cost me 100 last October.—A. F. O., Phila., Pa.

Engaged, for the most part, in the refining and marketing of lubricating oils in the United States and in a number of foreign countries, the Vacuum Oil Co. has a record of generally expanding earnings over a period of many years. Returns for 1929, however, were somewhat below those for 1928. Net profits amounted to \$35,767,627 after inventory depreciation, reserves for federal taxes, etc., and were equal to \$6.98 a share on 5,139,887 shares of stock, as compared with \$7.46 a share in the previous year on a moderately smaller capitalization. The decline was due partly to smaller gross profit, but the major cause was

inventory depreciation, which was nearly three times larger than the previous year. More recently, it was announced that directors of the Standard Oil Co. of New York and the Vacuum Oil Co. has agreed on a basis for the merger of the properties of the two companies, into a new holding organization to be known as the General Petroleum Corp. The new company will have a capitalization of approximately \$1,000,000 and if allowed, will reunite two former subsidiaries of the Standard Oil Co. of New Jersey, the dissolution of which was ordered in 1911. The Government has taken preliminary steps to defeat the project however, and it will undoubtedly be a long time before the issue is finally settled. In the event that the consolidation should be effected, both parties stand to benefit materially, but even though this should not be accomplished, the shares of Vacuum Oil are still attractive on their own merits. While the issue may be subject to intermediate market fluctuations we believe that where they are held over a reasonable period of time, the results achieved should prove wholly satisfactory.

The United Gas Improvement
Co.

(Continued from page 1015)

and provision for minority interests, there remained applicable for the United Gas Improvement Co. capital stocks \$32,519,183, an increase of 17.9% over the year before. On a per share basis, consolidated net earnings for 1929 were \$1.55 on the common stock, compared with \$1.31 on the same basis in 1928.

The actual income statement for the United Gas Improvement Co. in 1929 shows dividends received on stocks held \$30,203,199; interest on bonds, loans and bank balances \$1,065,562; fees for supervision, professional services, and other income \$1,921,940; giving a total income of \$33,190,701. After expenses, interest charges, and taxes, net income amounted to \$28,275,110 as against \$21,015,271 in 1928. The balance applicable to the common stock was equal to \$1.35 a share for the 1929 period, against \$0.99 a share on a comparable basis the year before.

The United Gas Improvement Co. represents a progressive and powerful organization in the public utility field, one having excellent management and the support of the most powerful banking groups in the country. The new common shares in 1929 ranged in price from a high of 59½ to a low of 22,

the extreme low price being reached during the grand smash late last year and does not therefore reflect the true value of the stock. At its current price of about 48, the yield on the present dividend rate of \$1.20 per annum is 2.5%. Aside from its semi-investment character resulting from the company's long and successful career in the industry, the strategic position in the Eastern utility field, regarding both the distribution of electric power and as recently indicated of natural gas, makes the stock attractive from a speculative viewpoint as well.

Why the Oils Are in the Spotlight

(Continued from page 1007)

world's production of gasoline. The United Kingdom uses but 21,000,000 barrels, France and Germany only about 10,000,000 barrels each, and all Europe but 57,500,000 barrels, while we consume 372,000,000 barrels. Home consumption increased 13 per cent in 1929 and exports 18 per cent. In January and February exports gained 25 per cent and domestic consumption 16 per cent. Gasoline transport is advancing rapidly all over the world.

It is not only the private automobile that is multiplying at a prodigious rate but buses, trucks and tractors are becoming more and more common. The farms of the world are rapidly discarding the horse in favor of the gasoline engine. The introduction of the gasoline-moved combine harvester is enormously increasing the consumption of gasoline in rural regions. The motor boat is demanding more and more gasoline, and motor ships have become heavy consumers of oil. Aviation is only at its beginning. Oil burning steamships are increasing at the rate of a million to two million tons a year and are already about 34 per cent of the total, including Diesel propulsion.

The quantity of fuel oil used annually steadily increases. The introduction of oil for building heating purposes is making great gains. Its use in industrial heating operations is rapidly extending. Large quantities of oil are consumed in oil burning locomotives and the railroads are introducing Diesel engines. The public utilities constantly enlarge their oil requirements both for fuel and as an element in the manufacture of gas. The increasing mechanization of civilized life calls for ever growing quantities of lubricants.

The uses for petroleum derivatives are becoming more and more numerous and the chemical engineers find more



An illustrated booklet containing a review of the Midland United Company and its subsidiaries has just been published and is now available to those who may be interested.

This booklet contains a description of the rapidly growing territory served by the public utility companies in the Midland United group and a review of the business and operations of subsidiary companies.

Sent free upon request. Address, Secretary of the Company.

MIDLAND UNITED COMPANY

Peoples Gas Building, 122 South Michigan Avenue, Chicago

Common stock of the Midland United Company is listed on the Chicago Stock Exchange.

J. S. BACHE & CO.

Established 1892

MEMBERS

New York Stock Exchange	Chicago Board of Trade
New York Cotton Exchange	Detroit Stock Exchange
New York Curb Exchange	Philadelphia Stock Exchange

And Other Leading Exchanges

**Securities Bought and Sold for Cash
or Carried on Conservative Margin**

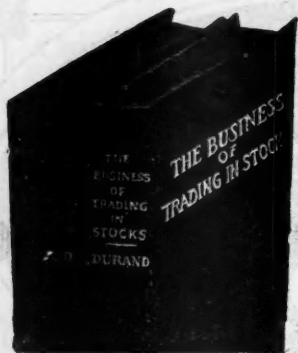
Branch Offices: Albany, Atlantic City, Binghamton, Buffalo, Detroit, Erie, Kansas City, New Haven, Perth Amboy, Philadelphia, Rochester, Schenectady, Syracuse, Troy, Tulsa, Utica, Watertown, Worcester. In North Carolina: Charlotte, Greensboro, High Point, Raleigh, Rocky Mount, Winston-Salem. In Texas: Fort Worth, San Antonio.

Correspondents, with private wire connections, in all principal cities.

42 Broadway

NEW YORK

"THE BACHE REVIEW" and "BACHE COMMODITY REVIEW," published weekly, will be sent on application.



Famous JOHN DURAND Books on Trading and Investing

Companion Volumes by an Author of International Reputation.

—CLEAR —INTERESTING
—INFORMATIVE —TIMELY
—INSPIRING

A CAREFUL study of these two books gives a new conception of the possibilities within the reach of everyone with money to invest for income and profit.

Both **THE NEW TECHNIQUE OF UNCOVERING SECURITY BARGAINS** and **THE BUSINESS OF TRADING IN STOCKS** are genuine contributions to the literature of the Stock Market.

They bring together a mine of general information concerning the processes by which securities are bought and sold. They weigh the importance of the various phases through which the market repeatedly passes. And they enable you to so systematize your financial thinking as to apply tested methods to the detection of major profit opportunities and the selection of commitments.

Uniformly bound; rich flexible dark blue fabrikoid cover, lettered in gold; profusely illustrated with graphs and tables clearly explaining the way to make profits and—above all—when to convert them into cash.

-----Build up your library by mailing this coupon NOW-----

The Magazine of Wall Street
42 Broadway, New York, N. Y.

All orders outside of Continental
U. S. A. cash in full with orders.

Send Volumes as Checked Below

The New Technique of Uncovering Security Bargains. ☐ \$3.25 Enclosed. ☐ C.O.D. \$3.25
The Business of Trading in Stocks ☐ \$3.25 Enclosed. ☐ C.O.D. \$3.25
Both Books, saving \$1.60 ☐ \$4.90 Enclosed. ☐ C.O.D. \$4.90

Name

Address
(Please print)

☐ Send Catalog of other Important Books.

JD-4-19-30

and more of them. Among them are fuel gas; gas, or carbon black which is used in making rubber tires, inks and paints; a series of industrial alcohols, utilized in the making of soaps, lacquers and essential oils; kerosene, naphtha, benzene, gas oil, absorber oil, heavy oils, waxes, technical oil, medicinal oil, ink oils, chewing gum, candles, candy, wax for laundry uses; petrolatum, for salves, creams and ointments; road oil; asphalts and pitches for roofing, paving, bricquetting, rubber making and plastic compositions, carbon, acid coke, sulphonic and sulphuric acid. Just as a pint of the commercial possibilities of some of these derivatives it is said that there are 2,000,000 miles of secondary roads in the United States "which might be advantageously treated with asphaltic materials." The present production of asphaltic roofing is sufficient to cover 370,000,000 square yards of roof.

A comparatively new feature of the petroleum industry is the natural gas industry. Natural gas distributed and consumed on a national scale is making enormous strides. Many of the oil companies own gas wells and natural gas is also produced by oil wells. Formerly the gas from oil wells was entirely wasted. The waste is still enormous, but utilization is becoming general. Gasoline is extracted from it, the residue is turned over to gas distributing agencies, and a great system of long-distance gas-pipe lines is transporting natural gas over great distances. Many oil producing companies are profiting from this comparatively new development, and a study of the investment possibilities of oil stocks should include consideration of the natural gas factor.

The commercial side of the oil industry is behind the engineering and technical side, but improvement is to be noted there. Consolidations, when the law and the courts permit, are being effected. These almost invariably make for economy of distribution if not of production. It is calculated that there is one gasoline station in the United States for every seventy automobiles—a manifest waste.

The greatest benefit of consolidations, however, will be in the direction of stabilization of the industry. The greater the company the less its interest in immediate conversion of oil in the ground into money at any price. It can wait. It looks ahead to greater profits from more complete recovery. It can withhold production to fit the market, and it is in all ways more judicious and rational than the little company. The large companies are more agreeable to collective administration of pools and stable prices; they co-operate more harmoniously with the public authorities. In their long view of the future, physical conservation of oil in

THE PURPOSE OF BROOKMIRE SERVICE

- (1) to eliminate doubtful and precarious securities from consideration—
- (2) to analyze thoroughly sound investment possibilities—
- (3) to select from these a still smaller number that seem to possess *outstanding merit*—
- (4) to recommend the purchase of a *still* smaller number that the most thorough investigation indicates are the most attractive —
- (5) to keep investors always informed concerning the securities they hold.

How to secure the most profitable investment results

NO method of investing, in itself, can be said to promise the best results. One man may prefer to purchase for income and for long-time appreciation; another would rather engage in more active employment of funds. In either case, it is *intelligence used* that chiefly accounts for the success obtained.

Intelligence more than ever is today vital to successful investment results. Unless values are appraised, and business, industries and companies analyzed correctly, sound selections are unlikely and profitable results improbable. Because this is true, Brookmire Service — with its background of more than a quarter century of investment counsel, and its far reaching research facilities — proves indispensable to individual and institutional investors.

The business of the Brookmire organization, since 1904, has been the study of investment values. It has no interest other than the furnishing of sound, unprejudiced and authoritative advice. It continuously rechecks values for the benefit of its clients and provides, in full, a specialized type of investment service, *unduplicated*.

Write for this information

Together with full information about Brookmire Service, we shall be glad to send you, without obligation, recent issues of the Brookmire Analyst, the Brookmire Forecaster and the Brookmire Investment Opportunity Bulletin. These bulletins show you exactly how Brookmire keeps investors informed and illustrate the extent and type of information furnished to Brookmire subscribers.

Use the coupon today for immediate information, and our latest report on the proper investment policy to follow now. Address inquiries from west of the Rockies to Brookmire Economic Service, 1010 Russ Bldg., San Francisco, Calif.

BROOKMIRE ECONOMIC SERVICE, INC., 551 Fifth Ave., New York City

Please send me complimentary copies of your bulletins, together with the latest Brookmire Analyst, stating the proper investment policy now.

M-H4

Name _____

Address _____

BROOKMIRE ECONOMIC SERVICE

NEWARK	NEW YORK	BOSTON	CHICAGO	PHILADELPHIA
ROCHESTER	MILWAUKEE	PITTSBURGH	CLEVELAND	BUFFALO
CINCINNATI	DETROIT	MINNEAPOLIS	ST. LOUIS	PORTLAND
	SAN FRANCISCO	SEATTLE	LOS ANGELES	TORONTO
			SPOKANE	MONTEAL
				ERIE
				DALLAS

Investment Counselors for more than a quarter century

the ground coincides with the conservation of profits. A gusher means nothing to them, dependable production everything. If it were not for the obsolete federal anti-trust laws—which have balked the Conservation Board—conservation would not long be a problem, and the billions that are invested in the oil industry would not long remain in the predicament of being the capital source of the world's most rapidly growing industry, enjoying an ever-growing patronage, and yet be without adequate remuneration. But much can be effected without consolidations that run counter to Federal laws.

The outlook is that during 1930 the oil industry will get a grip on the supply and demand equation that has not been known since the days of Standard Oil dictation. It will not be that type of control either, but an enlightened control that will serve the legitimate demand of the industry for adequate returns for its products and services and that will also keep the rights of the consumer in mind. The intervention of the public through the federal and state governments in the settlement of the problem of overproduction will certainly operate morally, if not legislatively, to prevent extortion when the problem is solved.

The forecast for both the industry and its securities is for increasingly fair weather. Against this improving background individual companies that are of sound financial structure, well managed, and favorably situated as to supplies and outlets should make steady gains in net earnings. In some instances the enhancement of security values may be spectacular, but in any event for the long pull the obligations of the better companies are promising. An active market for the "oils," regardless of the general trend, is not beyond the possibilities, especially if they continue to enjoy the distinction of increasing their business in a general "off" year.

Forecasting the Turning Points

(Continued from page 1004)

for production to actually rise above or fall below the year before. Production graphs computed in this new fashion, whether composite or for an individual industry, do indicate coming changes before the stock market begins to anticipate them. But for industries in which raw material prices fluctuate widely, it will be found that profits are more responsive to price changes than to fluctuations in production, and in such instances raw material prices

are better barometers than production figures.

During the past few years, Government bureaus and various trade associations have been compiling a new type of statistical information—"New Orders." Of course factories cannot operate without orders, so that changes in manufacturing activity, and in the volume of distribution (as reported through car loading statistics) are usually preceded by corresponding changes in bookings, sales and contracts let. New orders serve as an entirely new kind of business barometer which was not available before the War, and THE MAGAZINE OF WALL STREET takes a pardonable pride in being the first to compile and publish a barometric New Orders graph. It is scarcely possible to overstate the importance of our New Orders graph. With the aid of this graph it is now possible, for the first time in history, to make reliable forecasts of business conditions a number of months in advance and, insofar as movements in securities may be responsive to changes in the business outlook, the New Orders graph is also useful in forecasting the stock market.

Some of the new statistical material that was not available before the War, and a certain amount of old material that had of late years been discarded as unsuited to forecasting purposes, can be utilized now as good barometric timber by interpreting it in a more modern manner, and/or by combining the data in a composite graph. These improved methods have been adopted in THE MAGAZINE OF WALL STREET'S Business Indexes, which now appear regularly in each issue along with the Common Stock Price Index.

The new method of presenting economic data for forecasting purposes is to express the figures of the corresponding data for the same period a year ago. This device serves to correct automatically for seasonal variations, and minimizes the effects of secular growth. Graphs plotted in this fashion to show percentage changes from a year ago in such items as prices, production, inventories and new orders take on a characteristic wave like form above and below a zero line, and bring out clearly the cyclic manner in which economic changes take place. The superiority of the new over the old simple method of plotting lies in the fact that it enables one to detect a change in trend much earlier than by waiting until conditions actually become better or worse than a year ago. If, for example, industrial activity increases 5 per cent one month, 10 per cent the following month, 15 per cent the next, and then only 10 per cent, followed by 5 per cent; the mere drop in the rate of increase is an indication that industrial outlook reached a peak during the third month

whence it is likely to go on slowing down until it drops below the year before. In other words, any peak or bottom in the yearly comparison graph points to a significant change in trend; for economic events move with such momentum that a trend, once begun, is not likely to reverse until the change has proceeded to considerable lengths in the new direction.

These indexes, which now appear regularly in each issue, and which for convenient reference are reproduced in connection with this article, are useful, if properly interpreted, in predicting coming changes in the business trend, and in forecasting all the major movements in the stock market averages, as well as some of the lesser movements. In studying these indicators it should be observed that movements in the market averages are brought about by the resultant of a number of forces, most prominent among which are the industrial outlook, interest rates, the so-called "technical condition" of the market, and feature news (such as a Presidential election, radical changes in banking laws, a great war, etc.). Minor news items, or developments affecting a single industry seldom exert much influence upon the averages.

Of all the forces that move the market averages, interest rates are the most powerful. Previous studies, carried back over a period of more than thirty years, show conclusively that abnormally high interest rates have always precipitated a major bear market, and that there never has been a major bear market until interest rates have risen to abnormally high levels. So long as money remains cheap there is little likelihood of a prolonged bear market. Such reactions in the market averages as are bound to occur from time to time, will, under such conditions, be due to purely technical considerations, and should be of relatively short duration and magnitude. The investor's policy should then be to buy promising common stocks on reactions, and be extremely cautious about short selling. Applying this to the present situation, however, it is still necessary to use considerable discrimination in selection; for we appear to be in the same kind of highly selective market that was experienced prior to last October's break when individual issues, for special reasons, continued to register new lows while the Combined Average of the market as a whole went on making new highs monthly.

Based upon observations of something over four years, it has been found that changes in the trend of Industrial Activity take place within one to four months after the corresponding turning points in our New Orders graph; while Raw Material Prices change their trend within one or two months after

\$15,000,000

Berlin City Electric Company

INCORPORATED

(Berliner Staetische Elektrizitaetswerke Akt.-Ges.)

Twenty-five Year 6% Debentures

(NON-CALLABLE PRIOR TO APRIL 1, 1935)

To be dated April 1, 1930

To mature April 1, 1955

The city of Berlin, which owns all of the company's capital stock, has leased its electric properties to the company under an agreement, extending beyond the maturity of these debentures, empowering the company to fix rates for the sale of electricity adequate to cover all operating expenses, interest and amortization of loans, depreciation and other proper reserves, and providing that, upon termination thereof, the city shall assume all obligations of the company, including interest and amortization of loans.

The indenture is to provide for a purchase fund of \$310,000 per annum, to be payable semi-annually commencing April 1, 1931, to be used for the purchase of debentures if obtainable at or below 100% and interest, unexpended balances at the end of each six months' period to revert to the company.

Authorized and presently to be issued \$15,000,000. Coupon debentures in denomination of \$1,000, registerable as to principal only. Interest payable April 1 and October 1. Principal and interest payable in United States gold coin at the principal office of Dillon, Read and Co., New York, without deduction for any taxes, present or future, levied by German governmental authorities. Holders may, at their option, collect principal and interest in London at the office of Guinness, Mahon & Co., in pounds sterling; in Amsterdam at the offices of Mendelssohn & Co., Amsterdam and Nederlandsche Handel-Maatschappij, in guilders; in Zurich and Basle at the offices of Credit Suisse and Société de Banque Suisse, in Swiss francs; or in Stockholm at the office of Skandinaviska Kreditaktiebolaget, in Swedish kronor; in each case at the buying rate for sight exchange on New York on the date of presentation for collection. Non-callable prior to April 1, 1935; callable on that date and on any interest date thereafter as a whole, or in part by lot, on thirty days' notice at the following prices and interest, to and including April 1, 1936, at 102½%; thereafter to and including April 1, 1937, at 103%; thereafter to and including April 1, 1938, at 101½%; thereafter to and including April 1, 1939, at 101%; thereafter to and including April 1, 1940, at 100½%; and thereafter at 100%. Central Hanover Bank and Trust Company, New York, American Trustee, Deutsche Kreditsicherung Aktiengesellschaft, Berlin, German Trustee.

Copies of a descriptive circular may be had upon request.

These debentures are listed on the Boston Stock Exchange and the company has agreed to make application in due course to list them on the New York Stock Exchange.

A substantial amount of these debentures has been withdrawn for offering in Europe, including offerings in Holland by Mendelssohn & Co. Amsterdam, Nederlandsche Handel-Maatschappij and others.

We offer these debentures for delivery if, when and as issued and accepted by us, subject to approval of legal proceedings by counsel. It is expected that delivery will be made on or about April 25, 1930, in the form of temporary debentures, or interim receipts of Dillon, Read & Co.

Price 90½ and interest. Yield about 6.80%

Dillon, Read & Co.

Hallgarten & Co. Bankers Company of New York Halsey, Stuart & Co.

INCORPORATED

Lehman Brothers

International Manhattan Company

INCORPORATED

E. H. Rollins & Sons

Blyth & Co., Inc.

Mendelssohn & Co. Amsterdam

the corresponding turning point in the Industrial Activity graph—quite regardless of interest rates.

Turning points in the Magazine's Common Stock Price Index (the Combined Average) generally follow within a month or two after corresponding turning points in the Industrial Activity graph. This is because our method of computing the graph on a yearly comparison basis renders it an even more sensitive instrument than the stock market for detecting coming changes in the industrial trend. There is one important exception, however. When interest rates are abnormally low—as they are now, and were in 1927—recessions in industrial activity are not likely to lead to prolonged declines in the stock market averages.

Ingersoll-Rand

(Continued from page 1021)

tools and various tunneling, mining, and quarrying machinery. In addition, the company has developed a Diesel engine which is employed in a combination oil-electric locomotive, manufactured in conjunction with the American Locomotive Co., and the General Electric Co. This type of locomotive has a number of decided advantages, chief among which is a marked economy in operating costs as compared with steam locomotives. Along with various technical improvements, the oil-electric engine may be operated without the necessity of installing third-rail or overhead electrification, a feature which broadens its market to include those railroads which are without electric facilities. Orders for these locomotives have shown an encouraging increase and with railroads continually striving toward greater operating efficiency and lower costs, the future demand for this new type of motive power seems well assured.

Operations Extensive

Five plants and control of the Canadian Ingersoll-Rand Co., Ltd., and the A. S. Cameron Steam Pump Works comprise the company's manufacturing facilities, in addition to which thirty-one domestic and twenty-six foreign branch offices are maintained. Extensive foreign representation enables the company to keep in close contact with world-wide mining operations and such other industrial activities as afford a market for its products.

With the calling of the entire funded debt last year, 25,255 shares of \$100 par value 6% preferred stock and 1,000,000 no-par shares of common

stock comprise the entire capitalization. Dividends on the preferred stock, which shares voting power with the common, have been paid regularly since the company's organization in 1906 and common stockholders have received dividends in varying amounts since 1910. During the past 15 years, total cash disbursements on the common stock have averaged about 60% of earnings and additional stock dividends totaled nearly \$16,000,000. The established rate at the present time is \$4 per share annually but in 1929 extra payments brought the total for the year up to \$7, exceeding the disbursements of any previous year since the company was organized.

Profits last year fully justified the liberality of dividends. Net earnings amounted to \$12,209,497, an increase of \$2,448,455 over 1928, and after making substantial charges for depreciation and deducting taxes, interest charges, and preferred dividends, there remained a balance of \$10,501,293 or the equivalent of \$10.50 per share of common stock outstanding. A comparison with the per share earnings of the two previous years amounting to \$7.86 and \$6.40 in 1928 and 1927 respectively, reveals the extent to which the company was benefited by the intense industrial activity that characterized the greater part of 1929.

The company's properties are valued on the balance sheet at \$10,462,807, a figure which is undoubtedly a very conservative one. At the close of last year cash and government securities alone exceeded \$12,000,000 and working capital amounted to \$34,711,421 with current assets showing a ratio to current liabilities of better than 8 to 1. Surplus totaled nearly \$18,000,000 and was but slightly less than the record level of \$18,075,825 for 1920. On several occasions in the past the company has capitalized its surplus account by the payment of a stock dividend and another disbursement of this nature in the near future appears to be a logical expectation.

Aside from preferred dividends requiring \$151,518 annually, the equity in the company's earnings is vested solely with common stockholders, a condition which places the junior shares in a well enforced investment position and paves the way for continued participation in earnings on a generous scale. Assuming that dividends this year will at least equal the 1929 disbursements, the shares yield 3.70% at prevailing levels around 190. While the rate of income is not an outstanding inducement at the present time, and the shares, selling nearly 20 times 1929 earnings, are apparently discounting near term prospects, such factors as the industrial importance of the company's products, its world-wide

market, skillful management and established record of successful operations, provide the required investment character for the issue, to which a measure of speculative appeal is added by the possibility of a stock dividend. Essentially the shares are the type of investment from which the most favorable results are obtained over a period of time and as such they possess more than an average degree of merit.

Market Boom Advances Toward Corrective Stage

(Continued from page 995)

Real bargains among the standard investment issues are becoming rarer and rarer. Business improvement expected in the fall is being discounted largely in the belief that it will be better in the fall rather than on any definite or subtle trade trends to hang this expectancy upon.

On the Bear Side

Most of the tangible factors are on the bear side of the market. Business which had some uneven improvement at the start of the year turned hesitant in March and is only slowly developing with the spring season. With a few important exceptions, first quarter earnings will fall below the first quarter of 1929 and will stand out all the more prominently for the excellent showing that was made a year ago. Second quarter earnings are entirely problematic but the seasonal dip which was ironed out by the rush of industrial activity last year will more likely assume its characteristics of duller years. This means a preponderance of at least smaller-than-1929 earnings reports for the stock market to swallow during the next six months immediately ahead. If business shows any substantial improvement, commercial borrowing demands will be increased, which, together with a rising stock market and expanded capital requirements from abroad, would take up the slack in the money market and dissipate a strong tangible bullish factor.

The writer is one of some 120 million American citizens who believes that American business will successfully pull out of the troughs into which it was rudely cast and in time will be bigger and better than ever. In line with 119,999,999 compatriots, he looks to see this reflected ultimately in generally higher levels for the standard American investment stocks. But also, he sees the actual materialization of a "boom" developing in the stock market,

CHEMICAL STOCKS

NEW PROCESSES SPECIAL DEVELOPMENTS



¶ New developments of broad sweeping sort open up from time to time unusual possibilities in the stock market. Where are such developments taking place now?

¶ You have heard that this is the Chemical Age. It is—why not profit from it in the stock market?

Laboratory research, new products, modern plants, wider markets, mergers—these are producing millions of dollars extra earnings.

¶ Which companies in this Chemical Age will lead, and benefit most? Which fall behind? All these matters are covered soundly, with facts presented and forecasts shrewdly made, in our latest special report on Chemical stocks. Also these stocks are analyzed, whether to

Buy, Hold, Sell or Exchange—

Union Carbide?
Davison Chem.?
Amer. Cyanamid?

Vanadium?
du Pont?
Allied Chem.?

Com. Solvents?
Lambert?
Mathieson Alkali?

¶ If you hold, or are about to buy chemical stocks, do not fail to send for a copy of this valuable report. A few extra copies reserved for distribution, free—as long as the supply lasts.

Clip Coupon at Right

American Securities Service

140 Norton-Lilly Building, New York

American Securities Service
140 Norton-Lilly Building, New York

Kindly send me your "Special Report on Chemical Stocks," also copy of "Making Profits in Securities," both free.

Name.....

Address.....

Recent Reported Earning Position of Leading Companies

This department serves to provide a current record of earnings reported by leading companies. Each issue covers only those reports which are received during the fortnight immediately preceding. Net worth is calculated from the latest available balance sheet; and earnings thereon serve to measure the profit position of the company in relation to its stockholders' investment. The ratio of debt to net worth indicates, by a percentage figure, the extent of bondholders' claims as compared to stockholders' equity.

Industrials

Company	Period of Report	Earned per Dollar of Net Worth	Ratio of Debt to Net Worth	Earned per Share of Common	Market Value April 7, 1936, Times Earnings	Dividend Rate
Advance-Rumely	Year	(d)	ND	(d)	—	—
Ajax Rubber Co.	1935	(d)	26	(d)	—	—
Aluminum Co. of America	1935	.14	22	11.18	31.5	—
Amerada Corp.	1935	.12	ND	2.99	9.2	2
American Gine Co.	1935	NR	NR	6.15	NQ	—
Amer. Home Products Corp.	1935	.17	ND	5.47	11.8	4.2
Amer. Machine & Fdy.	1935	.12	7	12.10	20.7	7
Amer. Pneumatic Tool.	1935	NR	NR	.86	NQ	—
Amer. Writing Paper Co.	1935	.04	60	0	—	—
Archer-Daniels-Midland	6 mos.	.05	ND	1.22	11.3(g)	2
Arnold, Constable & Co.	Year	(d)	61(m)	(d)	—	—
Art Metal Works, Inc.	1935	NR	NR	4.11	NQ	2
Beatrice Creamery Co.	Year	NR	NR	7.49	11.1	4
Bloomington Bros., Inc.	Year	.05	ND	1.06	22.5	—
Botany Consolidated Mills.	1935	(d)	48	(d)	—	—
Brookway Motor Truck Co.	1935	.04	3	.54	22.9	—
Bush Terminal Co.	1935	.05	56	4.39	9.3	2½
Butterick Co.	1935	.01	23	1.02	27.5	—
Central Alloy Steel Corp.	1935	.08	11	2.23	10.2	2
Centrifugal Pipe	1935	.07	ND	1.25	6.4	.60
Chesebrough Mfg.	1935	.30	ND	12.22	14.0	4(a)
Condé-Nast Publications, Inc.	1935	.23	35	4.20	12.7	3
Consol. Text. Op. & Cons. Selling	1935	(d)	153	(d)	—	—
Crown Cork & Seal Co.	1935	.18	41	5.74	10.1	—
Curtiss-Wright Corp.	1935	(d)	ND	(d)	—	—
Diamond Match Co.	1935	.07	ND	9.60	19.0	5
Eastman-Kodak Co.	1935	NR	NR	9.56	24.2	5(a)
Electric Boat Co.	1935	.27	ND	2.56	21.7	—
Emporium Capwell Corp.	Year	.10	99	2.29	8.1	2
Federal Motor Truck Co.	1935	.08	11	1.00	11.7	.80
Freeport Texas Co.	Quarter	.08	ND	1.38	8.7(g)	4(a)
General Amer. Tank Car Co.	1935	.12	29	6.33(k)	13.3	4(a)
Graham-Paige Motors Corp.	1935	(d)	14	(d)	—	—
Grand Union Co.	1935	.09	NM(m)	2.04	9.1	—
Granite City Steel Co.	1935	.17	ND	6.65	8.7	4
Hollinger Gold Mines, Ltd.	1935	NR	NR	.74	8.1	.60
Industrial Finance Corp.	Year	NR	NR	5.53	4.6	10½
Ingersoll-Rand Co.	1935	.22	ND	10.50	NQ	4(a)
Inspiration Consol. Copper.	1935	.14	15	4.02(o)	7.0	4
International Harvester Co.	1935	.12	ND	7.10	14.5	2½
Kimberly-Clark Corp.	1935	.10	15	6.54	8.4	2½(a)
Long-Bell Lumber Co.	1935	.03	70	2.79-A	4.7	—
McGrory Stores Corp.	1935	.08	26(m)	4.10	15.7	2
McKesson & Robbins, Inc.	1935	.08	ND	2.65	12.0	2
MacMarr Stores Corp.	1935	NR	NR	2.11	9.0	1
Magma Copper Co.	1935	.35	ND	7.36	6.8	5
Miami Copper Co.	1935	.29	ND	5.55	5.7	4
Mohawk Mining Co.	1935	.24	ND	11.72	NQ	—
National Dairy Prod.	1935	.20	44(m)	4.04	13.5	2(a)
National Dept. Stores.	Year	.07	29(m)	2.25	9.2	2
National Enameling & Stamp.	1935	.08	ND	2.14	12.5	2
National Radiator Corp.	1935	(d)	121	(d)	—	—

(Please turn to page 1056)

which is sowing the seeds of its own collapse. After a virtually uninterrupted advance of more than three months, during which many market leaders have doubled their prices, the risks of carrying stocks have increased to an extent that warrants certain precautionary measures. The market at this writing looks strong enough to warrant further gains on the upside, so readers who alter or reduce their line of stocks must be prepared to miss what old timers speak so spitefully of as "the last eighth" which, in modern markets, may mean the last ten or twenty points.

All in the Same Boat

Unfortunately, the real simon pure investor, the trader who buys stocks cautiously for a gain in market values and the speculator who deals only in stock market quotations are all playing together in the same back yard. It is inevitable that they should jostle each other around sometimes, help each other out when a storm suddenly breaks out. Until someone provides a special little playground for each of these groups, it is obvious that they must look out for themselves. Investors must arrange their affairs with the knowledge that the values of their holdings are affected by the activities of the traders and speculators and be fair enough to remember the many times that the speculative groups have built up values for their investments as well as destroyed them.

At any rate the investor must adopt a special kind of tactics to protect himself as the market risks increase. To be more specific, the investor must turn to his list of holdings rather than to the market. He is not looking ahead to the price trend of the market next week or the month after that if he is a real investor. His problem is rather one of ascertaining which stocks among his holdings are suitable for retention under current market conditions and which are not suitable for retention. He must decide which ones return a satisfactory income for retention; which are situated to hold a steady earning power through a period of business uncertainty; which have substantial market profits which could be capitalized and reinvested in order to obtain an investment income from the unrealized increment in value.

Speaking of income, it is interesting to note the following figures for stock yields which are computed from one of the popular stock averages; industrials are 4¼ per cent, rails are 4¾ per cent and utilities are a little less than 2 1/5 per cent. Only in the rail group are stock yields slightly higher than average bond yields. Investors might well

(Please turn to page 1056)

STATES
MENT
THE
Of the
every
April
State
Count
Befo
the St
appea
duly s
says t
the M
follow
and b
ship,
the ch
licatio
caption
1912, e
and R
this fo
1. T
publish
busine
Publi
New Y
Editor
New Y
Von E
2. T
corpora
stated
the na
owning
total a
corpora
individ
by a f
sied co
as thos
be giv
42 Bro
Wycok
3. T
garees,
or hol
amoun
securit
C. G.
N. Y.
Lake,
4. T
giving
holders
tain no
securit
books
where
appears
as trust
the nar
whom s
that t
stateme
edge an
conditio
securit
the boo
stock s
than th
affiant
other p
has any
said st
as so st
5. T
each is
tributed
to paid
precedi
informa
lications
Sworn
15th day
[S]
Notary
Cert.
18930.
1891.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912. Of the Magazine of Wall Street, published every other week at New York, N. Y., for April 1, 1930.

State of New York } ss
County of New York }

Before me, a Notary Public in and for the State and County aforesaid, personally appeared Lael Von Elm, who having been duly sworn according to law, deposes and says that he is the Business Manager of the Magazine of Wall Street and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, C. G. Wyckoff, 42 Broadway, New York, N. Y. Editor, None. Managing Editor, E. Kenneth Burger, 42 Broadway, New York, N. Y. Business Manager, Lael Von Elm, 42 Broadway, New York, N. Y.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owner must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.) The Ticker Publishing Co. Inc., 42 Broadway, New York, N. Y.; C. G. Wyckoff, 42 Broadway, New York, N. Y.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) C. G. Wyckoff, 42 Broadway, New York, N. Y. Richard D. Wyckoff, Greenwood Lake, N. Y.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is (This information is required from daily publications only.)

LAEL VON ELM,
Business Manager.

Sworn to and subscribed before me this 18th day of March, 1930.

[Seal] RALPH J. SCHOONMAKER,
Notary Public, Westchester County.

Cert. filed in N. Y. Co. No. 1219 Reg. No. 18830. Commission expires March 30th, 1931.

Bring Your Life
Insurance Problems
to
B. Y. F. I.

United States Steel Corporation and the Steel Industry

Circular on Request

Accounts carried on conservative margin

THEODORE PRINCE & Co.

Members New York Stock Exchange
Members New York Curb Exchange
Members New York Produce Exchange

1528 Walnut Street
Philadelphia
Kingsley 0600

120 Broadway
New York
Rector 9830

80 Federal Street
Boston
Hubbard 4170

Individuals please call Rector 2902

RESTAURANT CRILLON

Dinner at The Crillon provides a grateful relaxation between the end of a busy day and the beginning of a festive evening.

Open Sundays and Holidays

277 PARK AVE

116 EAST 48TH ST.

MARKET STATISTICS

	N. Y. Times 40 Bonds	Dow, Jones 30 Indus.	Avg. 20 Rails	N. Y. Times 50 Stocks		Sales
				High	Low	
Saturday, March 29	89.20	236.19	157.94	239.36	236.13	2,791,170
Monday, March 31	89.20	236.10	157.28	240.17	235.51	5,161,380
Tuesday, April 1	89.10	237.11	157.02	239.45	235.83	5,395,170
Wednesday, April 2	89.04	235.27	155.86	239.99	234.79	5,312,000
Thursday, April 3	89.03	235.77	155.78	238.31	234.53	4,633,610
Friday, April 4	88.95	235.35	155.68	241.68	236.87	5,031,610
Saturday, April 5	88.85	239.96	156.39	241.35	236.42	2,524,480
Monday, April 7	88.86	239.19	155.73	242.23	238.09	5,490,300
Tuesday, April 8	88.80	238.36	155.32	241.99	237.76	4,639,410
Wednesday, April 9	88.73	239.15	155.15	244.87	239.23	5,189,210
Thursday, April 10	88.65	232.19	154.33	245.60	241.32	5,031,370
Friday, April 11	88.73	236.65	154.33	244.49	240.06	5,626,630

Recent Reported Earning Position of Leading Companies

(Continued from page 1054)

Industrials (Continued)

Company	Period of Report	Earned per Dollar of Net Worth	Ratio of Debt to Net Worth	Earned per Share of Common	Market Value April 7, 1930, Times Earnings	Dividend Rate
Nevada Consol. Copper.....	1929	.19	NM	3.60	8.6	8
Newmont Mining Co.....	1929	.26	ND	23.35	5.7	4(a)
Newton Steel Co.....	1929	.17	ND	7.73	7.0	8
N. Y. & Hondur. Rosario Mining	1929	.14	ND	2.78	4.6	1
No. Central Texas Oil Co., Inc..	1929	.08	ND	.79	12.9	.60
Omnibus Corp.	1929	.07	4	.40	17.5	—
Outlet Co. (The).....	Year	.15	ND	5.94	7.8	4
Packard Motor Car Co.....	4 mos.	.07	ND	.81	24.2(g)	1
Paragon Refining Co.....	1929	.04	4	.56	17.8-B	—
Paramount-Famous-Lasky	1929	.12	54	5.78	12.5	4
Patino Mines & Enterpr., Consol.	1929	.16	ND	3.31	7.9	16(ah.)
Phelps-Dodge Corp.	1929	.05	ND	2.68	16.3	8
Radio Corp. of America.....	1929	.22	ND	1.55	57.5	—
Remington Arms Co., Inc.....	1929	.09	59	1.38(a)	NQ	—
Roe Motor Car Co.....	1929	.03	ND	.53	25.5	.80
Ritter Dental Mfg. Co., Inc....	1929	.18	NM	7.45	7.4	2½(a)
Safeway Stores, Inc.....	1929	.16	1(s)(m)	9.02	11.3	5
Schulte Retail Stores Corp.....	1929	.05	ND	.28	39.3	—
Skelly Oil Co.....	1929	.14	33	5.28	7.5	2
Sloss-Sheffield Steel & Iron.....	1929	.09	25	1.07	42.5	—
Standard Investing Corp.....	Year	.10	154	2.71	4.9	—
Standard Oil of Calif.....	1929	.08	ND	3.63	19.9	2½
Standard Oil of Ohio.....	1929	.11	ND	6.63	15.6	2½
Standard Plate Glass.....	1929	(d)	31	(d)	—	—
Union Carbide & Carbon.....	1929	.13	5(s)	3.94	20.3	2.60
U. S. Smelt., Ref. & Mining...	1929	.06	NM(s)	5.31	6.2	3½
Universal Pipe & Radiator.....	1929	NM	19(m)(s)	0	—	—
Vacuum Oil Co.....	1929	.19	ND	6.96	13.6	4
Warren Pipe & Fdy.....	1929	.03	11	1.47	22.3	2
White Motor Co.....	1929	.05	ND	3.18	12.3	2
Willys-Overland Co.	1929	(d)	7	(d)	—	1.20

Public Utilities

Amer. Elec. Power Corp.....	1929	.05	291	2.83	NQ	—
Amer. W. W. & Elec. Co.....	12 mos.	.04	94	3.97	25.5	1
Commonwealth & South. Corp...	12 mos.	.03	ND	.72	7.5	.60
Cons. Gas, El. Lt. & Pr. of Balt.	12 mos.	.11	79	6.59	19.6	2.00
Federal Lt. & Traction Co.....	1929	.08	107	2.88	28.7	1½
General Pub. Service Corp.....	12 mos.	.23	91	5.73	9.1	6½
Hudson & Manhattan Ry. Co...	1929	.04	147	4.96	10.2	8½
Laclede Gas Light Co.....	1929	.06	124	12.45	18.9	10
McGraw Elec. Co.....	1929	NR	NR	4.05	7.0	2
Massachusetts Lighting Co.....	1929	.10	ND	7.72	NQ	3
New England Pub. Service Co...	1929	NR	NR	2.16	NQ	1
North West Utilities Co.....	1929	NR	NR	3.68	NQ	—
United Gas Improvement.....	1929	.08	59(s)	1.55	29.1	1.20
United Lt. & Power Co.....	12 mos.	NR	NR	2.33-AB(k)	20.2-A	1-A
West Texas Utilities Corp.....	1929	NR	NR	6% Pfd. Stk. 14.79	—	—
Western Union Tel. Co.....	1929	.05	36	15.11	12.4	3

Railroads

Bangor & Aroostock R.R.....	1929	.09	126	5.46	9.5	3½
Boston & Maine R.R.....	1929	.06	128	6.48	15.7	4
Chicago, Rock Island.....	1929	.08	164	14.04	8.7	7
Chesapeake & Ohio R.R.....	1929	.11	55	21.60	10.8	10
Delaware & Hudson.....	1929	.07	53	15.14	11.7	9
Delaware, Lack. & Western.....	1929	.08	NM	7.90	15.4	6
Kansas City Southern.....	1929	.05	91	8.43	9.7	8
Louisville & Nashville.....	1929	.06	109	11.73	11.7	7
Missouri-Kansas-Texas.....	1929	.05	58	5.10	12.3	—
Pennsylvania R.R.....	1929	.09	43(s)	8.22	9.5	4

(a) And extra. (e) Before depletion. (d) Deficit. (g) Figured on basis of estimated yearly earnings as indicated by period reported. (h) Based on average number of shares outstanding during period. (m) Including mortgages. (s) Including obligations of subsidiaries. (u) Not allowing for accumulated dividends. \$ Payable in stock. A—Class A stock. B—Class B stock. ND—No funded debt. NR—Unavailable. NQ—No quotation on indicated date. NM—Negligible. (ah.) In shillings.

expand their bond list in making replacements in this kind of a market.

Risks

Assumed

What for the trader? As this is written, the stock market seems to still embrace uncompleted moves among some of the market leaders. With the public participating eagerly in the market, there is no positive means of defining the scope of such moves. Under the cover of strength in certain market leaders, however, the distribution of secondary stocks will undoubtedly be proceeding as long as it lasts. There is still a stubborn remnant of pessimism which has not been completely routed by the strong market advance of the past few months. When these die-hards finally give in and join the overcrowded bull side of the market, we will be about ready for a reaction, conceivably a sharp and swift movement with little advance warning. The trader must determine whether or not he is prepared to assume this risk. Under present circumstances, we advise all varieties of traders to keep their market position well supported by ample cash reserves and suggest a position on the side lines for traders not prepared to assume the growing risks.

Insurance Department

(Continued from page 1029)

than small weekly amounts. It is entirely too much trouble for anyone who can arrange to pay life insurance cost in larger amounts—annually, semi-annually or quarterly.

I would suggest therefore that you take the paid-up insurance on the larger policies carried on this "industrial" form, drop the others, and apply for a new ordinary life policy for \$5,000 if possible, in any one of the companies mentioned in your list: they are all good "Old Line" institutions and practically any one of them would offer an attractive policy with unusual advantages in amount of \$5,000. You should get this special \$5,000 form, in preference to a policy of smaller amount which is not quite so satisfactory for your purposes.

**For Help in Solving Your
Life Insurance Problems
Consult Our
Insurance Department**

What is Ahead for these Stocks?

Air Reduction
American Can
Amer. & For. Pr.
Balt. & Ohio
Bethlehem Steel
Chrysler Motors

Com. Solvents
Con. Gas of N. Y.
Cont. Can
DuPont
Electric B. & S.
General Elec.

Int. Tel. & Tel.
Nat. Cash Reg.
Paramount
Pub. Ser. of N. J.
Radio
Sears Roebuck

Stand. Oil of N. J.
Union Carbide
United Aircraft
United Corp.
United Gas Imp.
Westinghouse

If you now own any of these stocks, or are considering their purchase, write for this preview of their probable price trend. We tell in detail just what we advise concerning each stock and the percentage of your holdings that should be in each group. A copy of this Bulletin will be sent on receipt of the coupon. There is no obligation.

WHAT should you do about these stocks? Have the recent gains in the market put them at levels where they are not now bargains and should not be bought except in the event of sharp reactions? Or, on the other hand, are they still at levels that in a few months will look ridiculously low?

The question that the thoughtful investor is asking is "Are there any stocks I can buy now *safely*?" The

answer to this question is the subject around which we have written a current Bulletin. What will be the probable trend, and what we forecast for the above stocks are stated clearly. Chemicals, electrical equipments, utilities, and rails are dis-

cussed as groups, and their place in the investor's program specifically given. Even in a bull market securities cannot be bought profitably unless you have correct, timely, accurate advices.

A Stock Conspicuously Undervalued

The Bulletin which analyses the stocks above—and others—will be distributed free to investors who mail the coupon to us promptly. An analysis of a stock that we believe has unusual possibilities will be sent to investors who request it. Selling now around 75, it appears conspicuously undervalued. Mail the coupon for your complimentary copy of this Special Report.

Now, especially the most careful selection is necessary. Now, especially should this Bulletin be read.

Selected Securities

The advices Van Strum clients receive are solely on *selected securities*. This Bulletin

is no exception. Before any recommendations are made all but the best are eliminated by us. These best are recommended for purchase, at the proper time. All recommendations are made clearly. A copy of a current Bulletin on request.

VAN STRUM FINANCIAL SERVICE

Investment Counselors

Van Strum Financial Service, 730 Fifth Avenue, New York, N. Y.

Q Please send me complimentary copy of your recent Bulletin advising what to do in connection with the securities listed on this page and include with it your special report on a selected stock.

Name _____

Address _____

6-31

New York Curb Exchange

IMPORTANT ISSUES

Quotations as of April 9th, 1930

Name and Dividend	1930 Price Range		Recent Price
	High	Low	
Aluminum Co. of Amer.	333	275	343
Aluminum Pfd. (6)	108 1/2	106 1/2	108
Amer. Cyanamid "B" (1.60)	37	25 1/2	33 1/2
Amer. Gas Elec. (1)	156	113 1/2	148 1/2
Am. Lt. & Trac. N. W. W.	75	72	73 1/2
Amer. Supercorp (1)	38 1/2	23 1/2	32 1/2
Asoc. Gas Elec. "A" (3)	51 1/2	48 1/2	50
Celanese Corp.	35	23	24 1/2
Central States Elec. (.40)	39 1/2	19	37 1/2
Cities Service (.30)	43 1/2	28 1/2	40 1/2
Cities Service Pfd. (6)	93 1/2	88	93 1/2
Cleveland El. Ill. (1.60)	96 1/2	63	84
Comwith. Edison (8)	293 1/2	234	259 1/2
Cons. Gas of Balt. (3.60)	124 1/2	90 1/2	123
Consolidated Laundries	16	10	14 1/2
Continental Oil	17 1/2	13 1/2	17 1/2
Cosden Oil	74 1/2	50	57 1/2
Deere & Co. (new)	152 1/2	113	149 1/2
Durant Motors	7	4 1/2	5 1/2
Elec. Bond Share (6)	113 1/2	89 1/2	108 1/2
Ford Motors of Canada A.	36 1/2	28	30 1/2
Ford Motor of France	11 1/2	6 1/2	10 1/2
Ford Motors, Ltd.	19 1/2	10 1/2	18 1/2
Fox Theatre A	14 1/2	2 1/2	14 1/2
General Baking	4 1/2	2 1/2	4
General Baking Pfd.	54 1/2	35 1/2	41
Gen. El. Ltd. rots, Eng. (.50)	14	10 1/2	13 1/2
Gen. Realty & Utility	17 1/2	9 1/2	17 1/2
Gen. Realty & Util. Pfd. (6)	98 1/2	69	93 1/2
Glen Alden Coal (10)	121 1/2	99	100 1/2
Goldman Sachs T.	46 1/2	35	44
Gulf Oil (1.5)	160 1/2	131 1/2	155 1/2
Hecla Mining (1)	14	11 1/2	119 1/2
Humble Oil (2)	116 1/2	78	114
Hygrade Food Products	13	10	4

Name and Dividend	1930 Price Range		Recent Price
	High	Low	
Insull Util. Invest. Inc.	71	64 1/2	68 1/2
Insur. Securities Inc. (1.40)	23	17	21 1/2
Internat. Pet. (new) (.62 1/2)	23 1/2	17 1/2	23 1/2
International Utilities B.	17 1/2	6 1/2	15 1/2
Lefcourt Realty (1.65)	25 1/2	14 1/2	23 1/2
Lion Oil Refining (2.25)	29	18 1/2	23
Lone Star Gas (new) (1)	47 1/2	34 1/2	46 1/2
Metro Chain Stores	30	16	17 1/2
Mid. West Util.	35	25 1/2	36 1/2
Mountain Producers (1.60)	12	8	11 1/2
National Fuel Gas (1)	25 1/2	25 1/2	31 1/2
New Jersey Zinc (2)	91 1/2	66 1/2	88
Newmont (4)	141 1/2	105 1/2	127 1/2
Niagara Hudson Power (.40)	23 1/2	11 1/2	21 1/2
North. States Pow. Pfd. (6)	100	95 1/2	97
Novadel-Agona (2)	34 1/2	22 1/2	33 1/2
Ohio Oil (2)	74 1/2	66 1/2	74 1/2
Pennroad Corp.	16 1/2	13	15 1/2
Pittsburgh Plate Glass (2)	50 1/2	53	55
Pittsburgh & Lake Erie (5)	120 1/2	111	119 1/2
Ruberoil Co. (4)	68 1/2	52 1/2	61 1/2
Safety Car & Heat. (8)	137	120 1/2	130
Salt Creek Producers (2)	14 1/2	10	14 1/2
Standard Oil of Ind. (2 1/2)	59 1/2	49 1/2	59
Superheater Co. (new) (2 1/2)	58	38	50
Transcontinental Air Trans.	10 1/2	6	9 1/2
Trans Lux	13 1/2	4 1/2	11 1/2
Ungerlieder	26 1/2	26 1/2	32
United Lt. & Pow. A (1)	49 1/2	27 1/2	46 1/2
United Lt. & Pow. cv. Pfd. (6)	112 1/2	97 1/2	110 1/2
U. S. Gypsum (1.60)	57	42	57
Utility & Indus. Corp.	23 1/2	17 1/2	21 1/2
Utility Pow. & Lt. (1)	28	14 1/2	25 1/2
Vacuum Oil (4)	96 1/2	88 1/2	94

† Bid price.

CURB stocks were stronger in virtually every section of the list during the past fortnight. Toward the latter sessions, the utility shares were in heavy demand, stimulated by the rapid advance of public utility shares on the Big Board. Among the leaders on the upward move were American Light & Traction recently reviewed in these columns, which ran up 28 points in the old stock and 8 points in the "new" shares in one session. Oil stocks were stronger, both in the Standard group and the independents. Volume of trading on the Curb has expanded substantially over the earlier months of the year.

Tampa Electric

In these days of wholesale consolidations in the field of public utilities and the rapidity with which operating units are being absorbed into large systems, it is the exception rather than the rule to find so strongly entrenched and seasoned an operating company still remaining on an independent basis.

The desirability of Tampa Electric Co. as a component part in some major utility system has no doubt brought about considerable competition in negotiations for its acquisition and has been a contributing factor in maintaining its independence thus far, but it would be contrary to present economic trends to suppose that the same state of affairs would continue indefinitely. So well situated is the company on its own merits that the potential advantages or disadvantages pending a consolidation appear all in favor of the stockholder.

Tampa Electric was organized in 1899, and now conducts without competition the electric railway and electric light and power business in Tampa and also considerable light and power business in neighboring territory. Activities likewise include the manufacture and distribution of ice in certain communities. During the past decade gross revenues have almost quadrupled while net income has more than quadrupled, approximate figures for the two items in 1929 being 4.6 millions and 1.46 million dollars, respectively. The

greater part of this spectacular growth occurred prior to 1927, normal development since 1926 having been held back by the real estate collapse in Florida, but it is noteworthy that dollar return in this later period has held its own from year to year in spite of unfavorable business conditions, including the failure of several banks in Tampa last year, and the kilowatt hour output in the meantime has maintained substantial yearly increases.

Another feature is the almost negligible amount of funded debt, but little over 1 million, a most unusual situation for a utility company. Preferred stock to the extent of 1 million dollars par value represents the only other capital obligation ahead of the 504,218 shares of no-par common stock. The old common was split up five-for-one in 1926. The common stock equity in gross revenues is, accordingly, extraordinarily high for a utility enterprise. The dividend basis is \$2 cash and 4% in stock annually, while earnings last year were equivalent to \$2.65 per share. The market on the New York Curb is not of a nature suited to active trading, but the stock at around 85 possesses merit as a semi-investment for the reasons already outlined.

Important Dividend Announcements

NOTE—To obtain a dividend directly from the company the stockholder must have his stock transferred to his name before the date of the closing of the company's books.

Ann'l Rate	Amount Declared	Stock Payable
\$1.80 Alleghany Steel	\$.015 Mo	4-30 5-17
3.00 Allis-Chalmers com.	0.75 Q	4-24 5-15
1.00 Am. W. W. & El. com.	0.25 Q	4-25 4-15
10.00 Atch., T. & St. F. com.	2.50 Q	5-2 6-2
2.00 Archer-Daniels com.	0.50 Q	4-19 5-1
7.00 Archer-Daniels pfd.	1.75 Q	4-19 5-1
7.00 Balt. & Ohio R.R. com.	1.75 Q	4-19 6-2
4.00 Balt. & Ohio R.R. pfd.	1.00 Q	4-19 6-2
7.00 Bloomingdale pfd.	1.75 Q	4-19 5-1
7.00 Brown Shoe pfd.	1.75 Q	4-21 5-1
5.00 C. C. & St. L. Ry. pfd.	1.25 Q	4-19 4-30
5.00 Cluett Peabody com.	1.25 Q	4-19 5-1
1.00 Col. Gas & El. com.	0.25 Q	4-19 5-15
6.00 Col. Gas & El. pfd.	1.50 Q	4-19 5-15
5.00 Col. Gas & El. pfd.	1.25 Q	4-19 5-15
6.00 Cudahy Packing pfd.	3.00 SA	4-21 5-1
7.00 Cudahy Packing pfd.	3.50 SA	4-21 5-1
2.40 Fair, The	0.60 Q	4-21 5-1
7.00 Fair, The	1.75 Q	4-21 5-1
7.00 Hercules Powder pfd.	1.75 Q	5-3 5-15
7.00 Kelsey-Hayes pfd.	1.75 Q	4-21 5-1
1.60 Lefcourt Realty com.	0.40 Q	5-5 5-15
6.50 Loew's Inc. 6.50 cum. pfd. stock	1.63 1/2 Q	4-30 5-15
2.00 Macy, R. H., com.	0.50 Q	4-25 5-15
4.00 Miami Copper	1.00 Q	5-1 5-15
8.00 Nat. Casket com.	2.00 SA	5-1 5-15
2.00 N. J. Zinc	0.50 Q	4-19 5-10
4.00 Norfolk & Western pfd.	1.00 Q	4-30 5-19
3.50 Phillips-Jones pfd.	1.75 SA	4-21 5-1
2.00 Richfield Oil com.	0.50 Q	4-19 5-15
2.00 So. Calif. Edison com.	0.50 Q	4-19 5-15
1.60 Truax-Tracer com.	0.40 Q	4-19 5-1
7.00 Vadsco Sales pfd.	1.75 Q	4-21 5-1
5.00 Wabash Ry. pfd. A.	1.25 Q	4-19 5-24
7 1/2 West Penn. Elec. 7 1/2 cum. pfd.	1 1/2 Q	4-19 5-15
6 1/2 West Penn. Elec. 6 1/2 cum. pfd.	1 1/2 Q	4-19 5-15
3.00 Wrigley, Wm., Jr.	0.25 Mo	4-19 5-1

Serving Industry and the Household

Appalachian Gas Corp.

Common Stock

Listed on The Chicago Stock Exchange

Actively traded on New York Curb Exchange

An important holding company in the Natural Gas Industry, serving through subsidiaries, industries, public utilities and domestic consumers.

Price at the market

Descriptive circular on request

Goddard & Co., Inc.

44 WALL STREET
NEW YORK

UNION TRUST BLDG.
PITTSBURGH

UNION TRUST BLDG.
CLEVELAND

Consolidated Balance Sheet

THE MENGEL COMPANY and SUBSIDIARIES

December 31, 1929

ASSETS

Cash, Notes & Accounts, Receivable, Inventories	\$7,605,334.47
Semi-Current Assets	427,904.99
Timberland & Timber	1,120,599.40
Investment in Mengel Mahogany Logging Co. (Net)	389,170.51
Land, Buildings, Machinery, etc.	\$12,887,436.35
Less Reserve for Depreciation	4,217,808.73
	8,669,627.62
Good Will	1.00
Prepaid Insurance, Taxes, Interest, etc...	120,283.68
	<hr/>
	\$18,332,921.67

LIABILITIES

Current Notes & Accounts Payable, Accrued A/Cs, etc.	\$ 700,046.64
First Mortgage 7% Serial Gold Bonds...	3,400,000.00
Deferred Notes Payable, etc.	105,210.33
Reserves for Insurance and Contingencies	89,454.62
Minority Shareholders' Interest in Subsidiary Company	19,550.79
Capital Stock—Preferred and Common..	11,360,300.00
Surplus	2,658,359.29
	<hr/>
	\$18,332,921.67

KEEP POSTED

SUN LIFE ASSURANCE COMPANY OF CANADA

has issued a booklet embodying the Directors' Report for 1929, the address of the president at the annual meeting, and a full list of the securities held by the company, a copy of which will be forwarded upon request. (726).

BELL TELEPHONE SECURITIES

is the title of a booklet containing investment suggestions for the careful investor. If you are interested in the securities of this important public utility, send for your free copy. (737).

UNITED STATES STEEL CORPORATION

and the steel industry are analyzed in a circular prepared by the Stock Exchange firm of Theodore Prince & Co. Why not send for your complimentary copy? (728).

RADIO-KEITH-ORPHEUM CORPORATION

A detailed analysis of the securities of this corporation has been prepared by the New York Stock Exchange firm of Tooker & Co. Your free copy is awaiting your request. (729).

THE FASCINATING STORY OF WALL STREET'S GREATEST SKYSCRAPER

An illustrated booklet describing the erection of the new 70-story Manhattan Company Building, New York; and Starrett Securities, which share in the ownership

and profits of this building. Also contains a brief history of New York's skyscrapers from the earliest days. Copy on request. (730).

ENJOY MONEY

is the title of a booklet issued by Investors' Syndicate. If you are interested in some day enjoying your money, send today for your complimentary copy giving you sound suggestions as to how you can accumulate wealth. (731).

SOUND INVESTMENT SECURITIES

A. C. Allyn & Co. have prepared a list of carefully chosen, income-producing bonds and stocks to assist investors in the proper selection of sound investment securities. Send for your copy today. (732).

Radio-Keith- Orpheum Corporation

We have prepared
a detailed analysis
of this corporation

Copy M.W.S. on request

Tooker & Co.

Members New York Stock Exchange
Members New York Curb Exchange
(Associate)
Members Assn. of Bank Stock Dealers
of N. Y.

120 Broadway New York
Tel. Rector 0060

Uptown Office:
522 Fifth Avenue, New York

To the President of a Dividend-Paying Corporation:—

Why should you publish your dividend
notices in *The Magazine of Wall Street*?

You will reach the greatest number of potential Stockholders of record at the time when they are perusing our magazine, seeking sound securities to add to their holdings.

By keeping them informed of your dividend action, you create the maximum amount of good will for your Company, which will result in wide diversification of your securities among these influential investors.

Place *The Magazine of Wall Street* on the list of publications carrying your next dividend notice!

Bonds for Investment

Suggestions Upon Request

The National City Company

—OFFICES IN MORE THAN FIFTY CITIES—

Over-the-Counter

IMPORTANT ISSUES

Quotations as of Recent Date

	Bid	Asked		Bid	Asked
Alpha Port. Cement Pfd. (7).....	110	..	Marck Co. Pfd. (4).....	84	89
American Book Co. (7).....	100	105	Metropol. Chain Stor. New Pfd. (7) ..	..	85
American Cigar Pfd. (6).....	90	100	Murphy (G. C.) (1.20).....	50	70
Amer. Dist. Teleg. (4).....	80	84	Do Pfd. (8).....	100	..
Do Pfd. (7).....	111	118½	Weisner Bros. Pfd. (7).....	112	120
Amer. Manufacturing (4).....	55	60	New Eng. Tel. & Tel. (8).....	155	160
Do Pfd. (5).....	65	70	Newberry (J. J.) Pfd. (7).....	95	101
Amer. Meter Co. (5).....	140	155	Remington Arms 1st Pfd. (7).....	87	92
Babcock & Wilcox (7).....	132	137	Savannah Sugar (6).....	81	91
Bliss (E. W.) Co., 1st Pfd. (4).....	50	..	Singer Mfg. Co. (10P).....	485	500
Do Cl. B Pfd. (0.60).....	9½	..	Standard Screw (8).....	135	145
Bohac (H. C.) Co., new (2½).....	64	70	Wash. Ry. & Elec. (5).....	630	..
Do 1st Pfd. (7).....	100	104	Do Pfd. (5).....	97	100
Bon Ami, B (5).....	40	44	Welch Grape Juice (1).....	63	71
Cleveland El. of Illum. Pfd. (6).....	111	114	Do Pfd. (7).....	100	103
Colt Fire Arms (2).....	28	30	West Va. Pulp & Paper (2).....	38	41
Congoleum Co. Pfd. (7).....	99	..	Do Pfd. (6).....	96	100
Crowell Publishing (6).....	80	85	Wheeling Steel (4)	84	87
Do Pfd. (8).....	106	109	Do Pfd. (8)	123	..
Detroit & Canada Tunnel.....	5½	5½	Do Pfd. B (10).....	..	128
Dixon (Jos.) Crucible (8).....	168	175	White Rock Snd Pfd. (7P).....	180	..
Dry Ice Holding.....	53	58	1st Pfd. (5)	98	103
Fajardo Sugar	58	60	Woodward Iron (4)	70	78
Franklin Rwy. Sup. (4).....	64	..	Pfd. (6)	85	95
Gt. Atl. & Pac. Tea Pfd. (7).....	115	118			

F—Plus extras.

INTEREST in Over-the-Counter securities has revived considerably during the early months of the year, stimulated no doubt by the general revival of popular interest in the various listed security markets. Although individual issues have had interesting price movements, there has been no striking price advance comparable with the advance of the averages of stock exchange securities during this period under review.

Contrary to popular belief, the unlisted securities are not subject to as wide price swings as listed stocks under normal conditions, largely because the unlisted securities do not have a wide public following and consequently are not subject to the pool operations, manipulation and market "campaigns" that are sometimes characteristic of active stock exchange stocks. The unlisted issues are more comparable in their performance during the early months of the year, to the large majority of so-called "secondary" stocks listed on the stock exchange—a group which has not participated in the spring advance as vivaciously as the market leaders.

Another sobering influence in the Over-the-Counter market has been the comparative stability of bank stocks and insurance stocks. Bank stocks generally made an early year recovery which carried them higher than the extremely deflated levels which prevailed at the

end of the stock exchange break in the fall. Having experienced a preliminary recovery in prices, however, the general tendency of bank stocks has been towards price stability rather than further spectacular gains. For one thing, the large public interest in bank stocks which existed last summer and fall has not been revived to any comparable extent. Those who bought bank stocks at high prices last year, with the avowed purpose of large market profits, have been largely dormant during recent months. The chief interest in bank stocks at the moment is from investors and investment buying is seldom favorable for a spectacular price trend.

The large earnings which induced considerable buying both from investment and speculative sources last year were predicated largely on the high interest which the banks were believed to have been realizing on their loans—supplemented by handsome earnings figures by security subsidiaries. At present, income from interest rates is considerably more modest and security subsidiaries are not believed to be experiencing as favorable operations as they were before the stock market decline. These factors, together with the fact that a large volume of high priced holdings of bank stocks are hanging over the market, has prevented any spectacular activity in this group of stocks, except for special situations.

Insurance stocks, which at their low

KEEP POSTED

The books, booklets, circulars and special letters listed below have been prepared with the utmost care by business houses of the highest standard. They will be sent free upon request, direct from the issuing houses.

PLEASE ASK FOR THEM IN NUMERICAL ORDER

We urge our readers to take full advantage of this service. Address, Keep Posted Department, Magazine of Wall Street, 42 Broadway, New York City.

STANDARD OIL ISSUES

We have available for distribution descriptive circular on all the Standard Oil issues. (219).

ODD LOTS

A well known New York Stock Exchange firm has ready for free distribution a booklet which explains the many advantages that trading in odd lots offers to both small and large investors. (225).

A SUGGESTION TO INVESTORS

This booklet explains in detail the features of Odd-lot investing. If interested, the prominent New York Stock Exchange firm issuing this booklet will be pleased to send you a complimentary copy. (278).

THE BACHE REVIEW

By reading this timely booklet but ten minutes a week you will be able to judge the market more accurately. Sent for three months without charge. (290).

FOR INCOME BUILDERS

The booklet describes a practical Partial Payment Plan, whereby sound securities may be purchased through monthly payments of as little as \$10. Shows how a permanent independent income may be built through the systematic investing of small sums set aside from current earnings. (318).

MAKING PROFITS IN SECURITIES

Are you profiting by the major and also the minor swings of the market? If not, you will be interested in the above booklet issued by a leading financial service in New York City. (377).

CONSISTENT INVESTMENT SUCCESS

The sound investment principles followed by The Brookmire Service and the adaptability of these principles to the requirements of every investor, large or small, is described briefly in the interesting booklet. (413).

OUR BUSINESS

The small loan field as a profitable investment is fully described in a booklet issued by the National Cash Credit Association and entitled "Our Business." A copy will be forwarded without charge upon request. (449).

7% INSTALLMENT SAVING CERTIFICATES

of a Colorado building and loan association operating under strict state supervision—their investment features and why—are explained in an interesting folder. (467).

"WHAT IS THE CLASS A STOCK?"

An analysis of the Class A Stock of the Associated Gas & Electric Company, including charts, figures and descriptive information indicating the progress of the properties back of Associated securities. (492).

TOREY & KIRK MARKET LETTER

contains each week in addition to a resume of the market some sound suggestions in specific investments. Send for your free copy. (498).

BONDS AND HOW TO BUY THEM

"Bonds and Stocks." "Classes of Bonds." "Factors of Bond Values." "How Bonds Differ and How to Select Them." These and other subjects of interest to the prospective purchaser of bonds are discussed in our booklet, "Bonds and How to Buy Them." Copy on request. (509).

FREE FOLDER

explains the advantages of guaranteed income Time Certificates issued by progressive building and loan association. Affords highest type of safety and definite 6½% earnings for five-year term. Issued for \$100 to \$10,000—bond form with quarterly

or semi-annual interest coupons. Non-fluctuating—transferable—renewable and tax exempt. (526).

THE FRENCH PLAN

Mr. Fred F. French, one of the country's foremost real estate authorities, has explained the operation of the French Plan in the above-mentioned 72-page book. Send for your free copy. (648).

TRI-UTILITIES CORPORATION

More than \$200,000,000 of public utility properties operating in 23 states and providing the necessities of power, gas and water to a population estimated in excess of 4,200,000 distinguish the Tri-Utilities Corporation system as an exceptionally interesting field for safe and profitable investment. Send for booklet 649 describing the various investments issued by this corporation.

BYLLESBY NEWS BULLETIN

Issued weekly. Contains articles of interest regarding the properties controlled by H. M. Byllesby. Should be read regularly by every investor holding public utility securities. Send for a complimentary copy. (654).

GREATER AND QUICKER PROFIT

This interesting 12-page booklet, issued by the Investment Research Bureau, shows you just how to increase your stock market profits by turning your capital over at a faster pace than usually is possible by holding for the "long-pull—or for several years. Send for your complimentary copy. (662).

IS IT IMPOSSIBLE?

is the title of an attractive booklet which will aid you in scientifically placing your funds into investment trust issues. Send for your copy today—it's free. (672).

NATIONAL WATER WORKS SECURITIES

What is the future for the securities of this public utility? You can secure a satisfactory answer if you send today for 681.

INDUSTRIAL BANKING—ITS CONTRIBUTION TO MODERN BUSINESS

Every investor should read this important analysis of a branch of the banking industry in which safe and profitable investments are made. Send for booklet 684.

LEFECOURT NATIONAL BANK & TRUST CO.

A booklet descriptive of this institution contains a table showing the progress of twenty leading New York City banks during the last decade; also a compilation indicating the comparative statistical position in relation to capital, book value, merger value and market price, will be mailed upon request. (698).

HOW TO GET THE THINGS YOU WANT

Tells you how you can become financially independent—how you can retire on an income—how you can provide money for emergencies—money to leave your home free of debt—money for other needs. Your free copy is awaiting your request. (708).

INVESTMENT SHARES

is a booklet issued by a Texas building and loan association describing the various forms of investments issued. Under state supervision. Send for 708.

SOUTHWEST DAIRY PRODUCTS CO.

The 7% Cumulative Preferred Stock (with Conversion Privilege) of this Company is preferred as to assets and cumulative dividends. Balance sheet reflects net assets of over \$200 for each share of preferred stock outstanding. Earnings for first 9 months of 1929 over 2.67 times preferred stock dividend requirements. Yield is about 7½% at present price. Write for circular 712.

PAINE WEBBER INVESTMENT REVIEW

The current semi-monthly issue contains an analytical discussion of the general situation, the Oil Group, the Rails, and Best & Co. Complimentary copy will be forwarded upon request. (713).

NATIONAL DAIRY PRODUCTS CORP.

The position of this company in its field, the outlook for its securities and prospects for future development are analyzed in the latest weekly review of Prince & Whitley, members New York Stock Exchange. Send today for your copy. (725).

SUN LIFE ASSURANCE COMPANY OF CANADA

has issued a booklet embodying the Directors' Report for 1929, the address of the president at the annual meeting, and a full list of the securities held by the company, a copy of which will be forwarded upon request. (726).

BELL TELEPHONE SECURITIES

is the title of a booklet containing investment suggestions for the careful investor. If you are interested in the securities of this important public utility, send for your free copy. (727).

UNITED STATES STEEL CORPORATION

and the steel industry are analyzed in a circular prepared by the Stock Exchange firm of Theodore Prince & Co. Why not send for your complimentary copy? (728).

RADIO-KEITH-ORPHEUM CORPORATION

A detailed analysis of the securities of this corporation has been prepared by the New York Stock Exchange firm of Tooker & Co. your free copy is awaiting your request. (729).

THE FASCINATING STORY OF WALL STREET'S GREATEST SKYSCRAPER.

An illustrated booklet describing the erection of the new 70-story Manhattan Company Building, New York; and Starrett Securities, which share in the ownership and profits of this building. Also contains a brief history of New York's skyscrapers from the earliest days. Copy on request. (730).

ENJOY MONEY

is the title of a booklet issued by Investors' Syndicate. If you are interested in some day enjoying your money, send today for your complimentary copy giving you sound suggestions as to how you can accumulate wealth. (731).

SOUND INVESTMENT SECURITIES

A. C. Aliyn & Co. have prepared a list of carefully chosen, income-producing bonds and stocks to assist investors in the proper selection of sound investment securities. Send for your copy today. (732).

NATIONAL SECURITIES INVESTMENT COMPANY

The allotment certificates listed on the Chicago Stock Exchange consist of one share of 6% cumulative preferred stock, one-half share of common stock, and the right to buy another half share of common up to January 1, 1934, for \$7.50. Common stock now selling around \$24 per share. Net assets applicable to preferred were equal to \$137 per share on December 31, 1929. Company holds securities of many of the outstanding leaders in U. S. At current prices yield is about 6%. Send today for circular 733.

NATIONAL SCREEN SERVICE CORPORATION

An important factor in the Motion Picture industry, whose securities are listed on the New York Curb, is analyzed in a circular prepared by S. Ungerleider & Co. Send for 734.

Colorado

AS a backlog, we recommend a liberal investment in the Full Paid Certificates of The Bankers Building & Loan Association, Denver, Colorado, guaranteeing an annual return of \$70.00 in dividends, payable semi-annually, on every \$1,000.00 invested.

Issued in units of \$50.00 to \$5,000.00, all dividends are exempt from Federal Income Tax to the amount of \$300.00.

Send today for booklet MWA to The Bankers Building & Loan Association, 1510 Glenarm St., Denver, Colo.

Texas

7% With Safety

Our Full Paid Certificates, secured by First Mortgage Notes on improved real estate, pay 7% per annum—dividends payable July 1st and January 1st.

Installment and Prepaid Certificates are participating and now earning 8%. State supervision insures the safety of your investment.

Located at El Paso, Texas, where real estate values are not inflated.

Send for descriptive literature.

People's Bldg. & Loan Ass'n

Resources in excess of \$3,000,000.00

108 Texas Street, El Paso, Texas

Dividends and Interest

General Mills, Inc.



Directors of General Mills, Inc., announce today the declaration of a regular quarterly dividend of 75 cents per share upon common stock of the Company payable May 1, 1930, to stockholders of record at close of business April 15, 1930. Checks will be mailed. Transfer books will not be closed.

(Signed) D. D. DAVIS,
Vice-President and Treasurer.

The Baltimore & Ohio Railroad Co.

OFFICE OF THE SECRETARY

Baltimore, Md., March 19, 1930.

The Board of Directors this day declared, for the three months ending March 31, 1930, from the net profits of the Company, a dividend of one (1) per cent. on the Preferred Stock of the Company.

The Board also declared from the surplus profits of the Company, a dividend of one and three-quarters (1 3/4) per cent. on the Common Stock of the Company.

Both dividends are payable June 2, 1930, to stockholders of record at the close of business on April 19, 1930.

The Transfer Books will not close.

G. F. MAY, Secretary.

General Foods Corporation

Quarterly dividend of 75c per share will be paid on no-par common stock May 1, 1930, to stockholders of record 3:00 P. M., April 15, 1930, without closing the transfer books.

J. S. PRESCOTT, Secretary.

ebb, were available at prices close to their liquidating value—and indeed in individual instances sold below liquidating values—have staged a recovery but still seem to offer interesting investment opportunities. Many of the fire companies, which are permitted to include stocks in their investment portfolios, were hard hit by the fall stock market decline. These companies are permanent owners of stocks, however, and still retaining their good stocks, have shared in the recovery of prices noted in stock stock exchange securities. Many of the insurance companies were known to have "averaged" on their stock investments during the break, and now have a very strong position in their stock holdings.

Investment Trust Securities

Investment trust securities, which compose an important group of unlisted securities have staged an uneven recovery during the first quarter of the year. The so-called "management" trusts have been laggards in the general recovery with a few important exceptions. Dealers in investment trust securities report a steady revival of interest in the "fixed" trusts. These issues did not sell off as sharply as other groups of stocks during the break, due to the wide diversity of the collateral security behind the investment. Although most of this type of investment trust now have provisions for replacement of unsuitable collateral, the restrictions are such that prevents "trading in the market" by the trust managers. Prices of these issues have consequently recovered in proportion to the higher prices of the collateral which they represent and sales of "fixed" trust securities to new investors are reported to be steadily growing.

Trade Tendencies

(Continued from page 1035)

of freight cars and increased traction power of locomotives tends to reduce the total number of units needed for normal operations. Electrification of railroads which is expected to become increasingly important will result in heavier demand for equipment adapted to electric power over the longer term; but for the immediate future, commitments are likely to be deferred until actual needs become more clearly defined. The uncertainty of the outcome of the pending mergers of Eastern roads is also likely to impede immediate commitments of equipment.

Manufacturing companies have at the present time enough unfilled orders on their books to permit capacity op-

erations for some months to come. But the current comparative dearth of fresh inquiries and the general outlook for lower levels of requirements for the coming period would seem to indicate reduced earnings for a later date.

AVIATION

Readjustment Favors Large Companies

Extensive and highly efficient systems of transportation have been to a great extent responsible for the rapidly growing prosperity of this country and the more efficient these systems have become, the more revenue they have tended to collect from an ever widening clientele. By accommodating this public demand, the railroad group and the motor industry have in a comparatively short time been established as fundamental activities. Now to complement the services of the train and the automobile, the airplane is becoming an increasingly important factor in the transportation and communications fields. An idea of the rapid growth of the airplane industry may be gleaned from statistics for last year. In 1929 production of planes and engines were valued at \$98,000,000 as compared with \$62,000,000 estimated for the preceding year; mileage flown tripled during the year; passengers carried gained 500%; air mail figures increased almost 100% for miles flown; airport facilities were extended and improved.

Despite these sensational increases, however, the airplane industry received a severe setback last year from which it has not yet recovered. With some two hundred companies engaged in the manufacture of craft and engines, the field became heavily overproduced especially in the small plane division and in the ensuing struggle for sales, prices were cut, profit margins were injuriously flattened and earnings for many of the smaller companies failed to cover operating expenses. As a result, inadequately financed or poorly managed concerns are being forced into liquidation and earnings of the larger, well diversified companies are being restricted.

The current depression is one of the growing pains of the industry and will leave the patient stronger in the long run. The elimination of the weaker units will place the stronger companies in a position to make greater strides towards developing safer, larger and faster craft and devising more efficient, more economical systems of air travel.

The period of readjustment, however, is likely to be extensive and it is the long term rather than to the near future that holds promise of higher profits.

Building and Loan Associations

We will be glad to answer questions regarding Building and Loan Associations, provided that the information available on the association under consideration is sufficiently complete to warrant an opinion. Address, Building & Loan Ass'n Department, c/o The Magazine of Wall Street, 42 Broadway, New York City.

Colorado

6½% *Guaranteed* Income

Full-paid 5-year Time Certificates. Issued for \$100 to \$10,000 in bond form with quarterly or semi-annual interest coupons. Monthly income easily arranged. Exempt Federal Income Tax to \$300 interest yearly. Transferable and renewable. Joint ownership permitted. Protected by the safest known type of city real estate mortgages—plus the largest permanent capital in Colorado.

Our recent reduction of interest to 6½% on Time Certificates enables us to loan at a rate under the average market, giving us the choice loans with best security. Write for folder "C."

SILVER STATE
Building and Loan Association
1648 Welton St. Denver, Colo.

MEMBERS: The Colorado Bankers Assn., and the Colorado State and United States Bldg. & Loan Leagues.

Texas

7%

Investigate then Invest

Cash Dividends \$100 to \$10,000 No Fees

WRITE FOR FINANCIAL STATEMENT AND FOLDER—TODAY

Equitable Building & Loan Association
803 Lamar FORT WORTH—TEXAS

7% Full Paid Shares

Earnings paid semi-annually in cash.

Resources over \$3,000,000.00

Security Building and Loan Ass'n
201 Broadway, San Antonio, Texas

8%

NON-TAXABLE INVESTMENTS

Full paid shares issued in multiples of \$100. Dividends payable quarterly in cash, and to date of cancellation after 90 days from date of issuance. No fees. Under State Banking Dept. supervision.

Write for literature and particulars.

Texas Plains Bldg. & Loan Association
111 West Sixth St., Amarillo, Texas

Oklahoma

CAN YOU AFFORD TO GAMBLE?

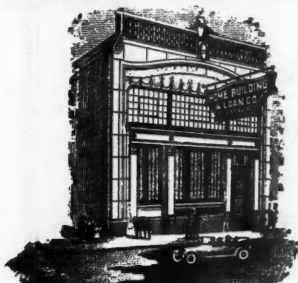
The Sure Way is the Safe Way to Financial Independence

Booklet on Request
"3 Best Investment Plans"

Okmulgee Bldg. & Loan Ass'n
Okmulgee Oklahoma

APRIL 19, 1930

Florida



16 and 18 Laura Street

Home Building & Loan Co.

JACKSONVILLE
FLORIDA

Each quarter since organization in 1921 this Company has earned and paid dividends at the yearly rate of

8%

Full Information on Request

New York

On Systematic Savings

6%

On Save as You Please Accounts

UNDER SUPERVISION N.Y. STATE BANKING DEPT.

SERIAL

BUILDING LOAN & SAVINGS INSTITUTION
195 BROADWAY-170 FULTON ST. N.Y.C.
WRITE FOR BOOKLET

Arizona

8% Accumulative Certificates
7% Fully Paid Certificates
6% Coupon Certificates

with

"Arizona's Largest Association"

FIRST NATIONAL

Building & Loan Association
106-S So. Central Ave., Phoenix, Ariz.
Write for Explanatory Literature

Texas

7%

**Safety
High
Earning
Power
Availability**

Availability is a most desirable feature of a local bank account. So is Safety. Greater earning power for money is the attraction in FIRST MORTGAGES. Admittedly, the most desirable of First Mortgages are those secured by residential property occupied by the owner.

7% Certificates

You can purchase NTBLA 7% "Full Paid" Certificates or 7% "Prepaid" Certificates as easily as making a local bank deposit. The U. S. Mails bring us "right around the corner" from you. Earnings computed from the day received.

Withdrawals are made with equal facility. Our 30-day notice rule has never yet been invoked.

Know more about these investments carrying FIRST MORTGAGE SAFETY. Direct First Mortgage earning power and that "just-around-the-corner" convenience and availability.

WRITE FOR BOOKLET M-4
"PROFIT WITH PRUDENCE"

NORTH TEXAS BUILDING & LOAN ASSOCIATION

Wichita Falls, Texas

Investment Shares

Wichita Falls Building & Loan Association
WICHITA FALLS TEXAS

This interesting booklet FREE ask for it ~

7% paid from earnings ~

Dividends exceed million dollars. Assets four million. Invest in the growing Southwest for SAFETY, CONVENIENCE and PROFIT.

8% We Pay 8%

cash dividends, payable quarterly on Fully Paid Shares.

San Angelo Bldg. & Loan Assn.
(Under State Supervision)

20 West Twohigh San Angelo, Texas

Financial Notices

Dividends and Interest

Dividends and Interest

Dividends and Interest

Middle West Utilities Company

Notice of Dividend on Common Stock

The Board of Directors of Middle West Utilities Company has declared a quarterly dividend of 2% in Common Stock (being one-fiftieth of a share) on each share of Common Stock outstanding on April 15, 1930, payable May 15, 1930, to Common stockholders of record on the Company's books at the close of business at 5:00 o'clock P.M. on April 15, 1930.

EUSTACE J. KNIGHT, *Secretary*

Notice of Dividend on

\$6 Convertible Preferred Stock, Series A

The Board of Directors of Middle West Utilities Company has declared on each share of its \$6 Convertible Preferred Stock, Series A, a quarterly dividend of \$1.50 in cash or (at the election of the holder, filed on or before April 15) of three-eighths of a share of Common Stock, payable May 15, 1930, to the holders of record on the Company's books at the close of business on April 15, 1930.

EUSTACE J. KNIGHT, *Secretary*

The Mengel Company

The Board of Directors of The Mengel Company, April 3rd, 1930, declared the regular quarterly dividend of 1% on the Preferred Capital Stock of the Company, payable June 1st, 1930, to Stockholders of record at the close of business May 15th, 1930.

J. C. DORMAN, *Secretary*.

Any Preferred Stock to be transferred should be sent to the office of the Guaranty Trust Company of New York, 140 Broadway, New York City, or to the office of The Mengel Company, Eleventh and Dumesnil Streets, Louisville, Ky.

J. C. DORMAN, *Secretary*.

The Board of Directors of The Mengel Company, April 3rd, 1930, declared a dividend of fifty cents (50c) per share on the Common Stock of the Company for the quarter ended March 31, 1930, payable July 1st, 1930, to Stockholders of record at the close of business May 31, 1930.

J. C. DORMAN, *Secretary*.

Any Common Stock to be transferred should be sent to the office of the Guaranty Trust Company of New York, 140 Broadway, New York City.

J. C. DORMAN, *Secretary*.
Louisville, Ky., April 3rd, 1930.

The West Penn Electric Company

NOTICE OF DIVIDENDS

The Board of Directors has declared the regular quarterly dividends of one and three-quarters per cent. (1 3/4%) upon the 7% Cumulative Preferred Stock, and of one and one-half per cent. (1 1/2%) upon the 6% Cumulative Preferred Stock of The West Penn Electric Company, for the quarter ending May 15, 1930, both payable on May 15, 1930, to stockholders of record at the close of business on April 19, 1930.

G. E. MURRIE, *Secretary*.

Borden's

COMMON DIVIDEND NO. 81

A quarterly dividend of seventy-five cents (75¢) per share has been declared on the outstanding common stock of this Company, payable June 2, 1930, to stockholders of record at the close of business May 15, 1930. Checks will be mailed.

The Borden Company
WM. P. MARSH, *Treasurer*.

AMERICAN WATER WORKS AND ELECTRIC COMPANY

INCORPORATED

(of Delaware)

NOTICE OF DIVIDEND

A quarterly dividend of twenty-five cents (25¢) a share, payable in cash, on the common stock of the Company, has been declared payable May 15, 1930, to common stockholders of record at the close of business on April 25, 1930.

W. K. DUNBAR, *Secretary*.

MIAMI COPPER COMPANY
61 Broadway, New York

April 7, 1930.

DIVIDEND NO. 71

The Board of Directors of Miami Copper Company have this day declared a dividend of one dollar (\$1.00) per share for the quarter year ending March 31, 1930, on the capital stock of the company, payable May 15, 1930, to stockholders of record at the close of business on May 1, 1930. The transfer books of the company will not close.

SAM A. LEWISOHN, *Treasurer*.

Cluett, Peabody & Co., Inc.

Common Stock Dividend No. 59

The Board of Directors has declared a quarterly dividend of \$1.25 per share on the Common Stock of the Company payable May 1, 1930, to Stockholders of record at the close of business April 19, 1930. Checks will be mailed by the Irving Trust Company of New York.

D. A. Gillespie,
Treasurer.

Troy, N. Y.
April 8, 1930.

1064

When doing business with our advertisers, kindly mention THE MAGAZINE OF WALL STREET



COLUMBIA GAS & ELECTRIC CORPORATION

April 4, 1930.

THE Board of Directors has declared this day the following quarterly dividends:

Cumulative 6% Preferred Stock Series A

No. 14, \$1.50 per share

Cumulative Preferred Stock 5% Series

No. 4, \$1.25 per share

Common Stock (no par value)

No. 14, 50¢ per share

payable on May 15, 1930, to shareholders of record at close of business April 19, 1930.

EDWARD REYNOLDS, Jr.,
Vice-President & Secretary

INDEPENDENT OIL AND GAS COMPANY DIVIDEND NUMBER 30

The Board of Directors has declared a dividend of Fifty Cents (50c) per share on the capital stock of this Company, payable April 30th, 1930, to stockholders of record at the close of business April 15th, 1930.

JOHN E. CURRAN, *Secretary*.
Tulsa, Oklahoma, March 8th, 1930.

Cumulative Index to Volume 45

Pages 1 to 84 Inclusive.....November 2nd, 1929
 Pages 85 to 172 Inclusive.....November 16th, 1929
 Pages 173 to 252 Inclusive.....November 30th, 1929
 Pages 253 to 348 Inclusive.....December 14th, 1929
 Pages 349 to 420 Inclusive.....December 28th, 1929
 Pages 421 to 508 Inclusive.....January 11th, 1930

Pages 509 to 590 Inclusive.....January 25th, 1930
 Pages 591 to 666 Inclusive.....February 8th, 1930
 Pages 667 to 738 Inclusive.....February 22nd, 1930
 Pages 739 to 826 Inclusive.....March 8th, 1930
 Pages 827 to 906 Inclusive.....March 22nd, 1930
 Pages 907 to 986 Inclusive.....April 5th, 1930
 Pages 987 to 1006 Inclusive.....April 19th, 1930

Accessories Forecast.....	451
Air Reduction Co.....	632
Allied Chemical & Dye.....	304
Allis Chalmers.....	312, 862
American Can.....	446, 857
American Car & Foundry Co.....	46
American Chain.....	312
American Cyanamid.....	482, 964
American Ice Co.....	766
American International Corp., 5 1/8s.....	1020
American Machine & Foundry Co.....	932
American Power & Light.....	218
American Railway Express.....	712
American Safety Razor Co.....	232
American Smelting & Refining Co.....	113, 784
American Steel Foundries.....	76, 564
American Sugar Refining.....	198, 860
American Tel. & Tel.....	76, 444
American Tobacco.....	453
Amusements Forecast.....	892
Anaconda Copper Mining.....	356
An Ill Wind That Blows No Good.....	276
Annual Re-Investment Guide.....	746
Appropriations, Too Much.....	1042
Archer-Daniels-Midland Co.....	91
Are We Poorer?.....	233, 1043
Associated Dry Goods.....	478, 479, 532
Associated Gas & Electric Co., conv. 4 1/8s.....	766
Automobiles.....	599
Automobiles Forecast.....	450
Aviation, Safety the Salvation of.....	918

Baking Industry, Offers Profit Opportunities.....	286
Baltimore & Ohio.....	108
Baltimore & Ohio, 4 1/8s, 1933.....	686
Baltimore & Ohio, 4 1/8s, 1930.....	767
Bank, International.....	355
Banking Mentality, Curious.....	182
Banking Tendencies a Liability to the Business Man? Are New.....	128, 962
Barnsdall Corp.....	438
Bear Raids, Protecting the Investor from Losses Through.....	180
Bear Selling, Controlling.....	536, 798
Best & Co.....	628
Bond Investments Challenged by Common Stock Enthusiast, Supremacy of.....	779
Bond Side of the Argument is Superior, The Bonds at Higher Prices, More.....	674
Bonds, Current Opportunities in Convertible Bonds Debate, Stocks vs.....	766
Bonds Rise in Esteem.....	778
Bonds, Outlook Brightens for Leading Groups of.....	92
Bonds the "Best Buy" for Individual Investors, Holds.....	282
Bonds? What Is the Best Time to Buy.....	866
Borden Co.....	383
Break-What? After the.....	204
Brooklyn Union Gas.....	26
Brown Shoe Co.....	1032
Budget Principle, A Simple Application of the Family.....	462
Budgeting One's Way to Financial Independence.....	1025
Building and Loan Shares to Build a \$100,000 Fund, Using.....	44
Building Forecast.....	452

BUILDING YOUR FUTURE INCOME

A Business Man's Investment.....	40
The Folly of Stampede.....	122
Profiting Through Vigilance.....	212
Why "Save Until It Hurts"?.....	296
The Year End Investment Audit.....	382
In Reply to a Critical Letter.....	458
Going to Extremes.....	526
A Life Subscription.....	704
Your Financial Age.....	776
Savings Also Are Important.....	864
The Cash Value of a Good Reputation.....	942
Courage.....	1024
The First Industry.....	210

Bull Market's Come Back, The.....	888
Bush Terminal.....	599
Business, Consuming Industries Hold the Key to, Part I. Automobiles.....	680
Business, Consuming Industries Hold the Key to, Part II. Building.....	597
Business Convalescent.....	597

Business Forecasting, Taking the Guess Out of.....	294
Business, Healing Pains of.....	745
Business Labors on the Upgrade.....	1000
Business Loans and the Market.....	262
Business, Low Interest, Low Taxes—High.....	752
Business "Psychology," New.....	353
Business Message to a Business Nation, A.....	261
Business Rallies to the Standard of Permanent Prosperity.....	263
Business Repulses the Forces of Depression, National.....	359
Business Responsibility, A.....	913
Business, The True Bigness of Big.....	261
Byers Co., A. M.....	934

Canada Dry Ginger Ale, Inc.....	770
Case Co., J. I.....	464
Capacity—Asset or Liability? Excess.....	528
Capitalism Is Scared Stiff.....	914
Capitalists, An Elementary Lesson on Investment for Young.....	1026
Catching the "Turn".....	430
Central Alloy Steel Corp.....	796
Cerro de Pasco Copper.....	230
Chain Stores, New Standards for Profitable Investment.....	15
Chemicals Forecast.....	452
Chesapeake Corp.....	402
Chesapeake & Ohio.....	850
Chicago & Northwestern.....	321, 1017
Chicago Rock Island & Pacific Ry.....	154
Childs Co.....	798
Cities Service Power & Light, 5 1/8s, 1932.....	852
Columbia Gas & Electric Co.....	688
Common Stock Enthusiast, Supremacy of Bond Investments Challenged by.....	628
Contest Announcement.....	43, 123
Coca-Cola Co.....	204
Colgate-Palmolive-Peet.....	320, 965
Commodities, The Incommodious.....	837
Common Stock Price Index, Fourth Annual Revision.....	544
Consolidated Gas Co.....	114, 234, 442
Consolidated Textile.....	237
Continental Baking.....	286
Continental Can Co., Inc.....	218, 722
Continental Insurance.....	232
Continental Oil Co.....	73, 292
Continental Oil Co. of Delaware.....	724
Continental Wheat Pool Impends—North America vs. Europe.....	100
Coppers, The Battle of the.....	693
Corn Products Refining Co.....	478
Corporate Christmas Tree? What Is on the Corporate Surplus, Distributing.....	272
Credit Do More Business, Making Less.....	746
Credit Normalcy, The Return to.....	440
Creditor and Debtor Nations.....	180
Curtiss-Wright Corp.....	674
Customer Oversold? Is the.....	483
Cutler-Hammer, Inc.....	364
Cycles of Human Experience.....	1016
Cycles of Human Experience.....	181

Dispensing With Essentials.....	598
Distributing and Making Wealth.....	429
Dividend Prospects in 1930 for Leading Industries.....	616, 696
Drug, Inc.....	538, 1018
du Pont de Nemours Co., E. I.....	644

Eastman, Kodak.....	234
---------------------	-----

EDITORS, WITH THE

Watching the Investment Basket.....	5
Eliminating Rumor Static.....	89
1930 Will Be What We Make It.....	177
Season's Greetings.....	259
Our Plans for 1930.....	353
The New Year's Investment.....	427
Students of Values.....	512
The Hand at the Helm.....	595
Profitable Investment.....	671
Too Much Specialization.....	743
What the Readers Want.....	831
Speculation or Investment.....	911
This Is Our Policy.....	991

Efficiency, No Sacrifice of.....	429
Electrical Equipment Forecast.....	451
Electrical Industry, Why Prosperity Shines On.....	845

Electric Storage Battery Co.....	891
Endicott Johnson Corp.....	712
Erie Railroad.....	22, 568, 935
Estate Building, Practical Pointers for Successful.....	626
Estate Building Through the Medium of the Investment Markets.....	298
Estate Building Safety—The Corner Stone of Europe Is a Buyer of American Securities, Why Debtor.....	384
Why Debtor.....	915

Farm Prices? Can Uncle Sam Save.....	754
Federal Light & Traction.....	966
Financial Course, Charting a.....	41
Finance Must Be Honest, High.....	357
Financing, Post-Boom.....	356
First National Stores.....	312, 539
Food Forecast.....	453
Forecasting the Turning Points.....	1002
Foreign Financing, Current Conditions Favor Heavy.....	526
Foreign Trade and Prosperity.....	430
Fox Film Corp.....	390
Friend in Need, A.....	92

General American Tank Car.....	112, 552, 896
General Baking.....	287, 799
General Cables Corp.....	888
General Electric.....	938
General Foods Corp.....	32
General Mills, Inc.....	34
General Motors Co.....	568
General Railway Signal.....	152, 1042
Geology and Prices.....	834
Getting Poorer By Getting More?.....	202, 795
Gillette Safety Razor Co.....	77
Glidden Co.....	773, 894
Gold Dust Corp.....	262
Gold Exports.....	366
Gold Exports, Market Decline Paves the Way for.....	152
Goodrich, B. F.....	480, 1032
Goodyear Tire & Rubber.....	71
Granby Consolidated Mining, Smelting & Power.....	798
Gulf States Steel Co.....	798

Holding Companies, Congress Moves For Inquiry into.....	523
Houston Oil Co.....	936
How to Invest in the Present Market.....	192
Hudson & Manhattan R. R.....	152
Humble Oil.....	404
Hupp Motor Car Co.....	890

I. C. C. Plan Be? What will the.....	91
Income Tax Department.....	102, 392, 468, 556, 634, 710, 786

Income Producing Assets, A Few Sound Rules for Buying.....	386
Industry, How the Market Appraises.....	683
Industry's Opportunity.....	179
Ingersoll-Rand.....	304, 1020
Inland Steel.....	402
Inspiration Consol. Copper.....	128
Insurance and Trust Companies Co-operate to Provide Lasting Protection.....	865
Insurance, Buying the Right Kind of.....	277
Insurance, Carrying Enough.....	215
Insurance Estate from Extra Savings, Building a Life.....	708
Insurance for Protection and Income.....	387
Insurance for Use Twenty Years Hence, Buying Life.....	463
Insurance? Have I Enough Life.....	869
Insurance Helps to Bear the Burden of Family Responsibilities Life.....	551
Insurance Policies? Should I Change My Life.....	1029
Insurance Protection Plus Old Age Income.....	709
Insurance Provides Sensible Christmas Gifts, Life.....	296
Insurance Story—Which Shall It Be?.....	42
Insurance Protection for One with No Investment Experience.....	625
Insurance to Buy Securities? Should I Borrow From My Life.....	547
International Business Machine Corp.....	770
International Match, 5s, 1947.....	194
International Paper & Power Co.....	723

(Please turn to page 1066)

Cumulative Index to Volume 45

(Continued from page 1065)

International Tel. & Tel.....	128, 198, 724	National Cash Register.....	796	Shattuck Co., Frank G.....	33, 536
Investigations—Ludicrous but Salutory.....	516	National Supply.....	46, 962	Shell Union.....	963
Investing With an Objective.....	217	Natural Gas—Rising Investment Factor in		Shell Union, Deb. 3s, '49.....	104
Investment—A Character Builder.....	301	Utilities and Oils.....	926	Shipping Opening New Field For Invest-	
Investment, A Lawyer Gives His Point of		Nevada Consolidated Copper Co.....	564	ment, American.....	102
View on Stocks for.....	706	New Haven.....	114	St. Joseph Lead.....	540
Investment Club, How to Organize An.....	944	New York Central.....	446	St. Louis-San Francisco.....	322
Investment Clubs—Social Mediums for Ob-		New York, Chicago & St. Louis.....	446	Standard Brands, Inc.....	464
taining Investment Profits.....	705	Norfolk & Western.....	284	Standard Gas & Electric.....	445
Investment Combinations, Fifteen Attractive		No "Make-Work" Fallacy Here.....	673	Standard Oil of N. J.....	444
Investment for Young Capitalists, An Ele-		"Northern," The Merging of the.....	690	State Goes Into Business to Make Business, A	840
mentary Lesson on.....	1026	No Sacrifice of Efficiency.....	429	Steel Forecast.....	449
Investment Forecast for 1930.....	447			Stock Market Boom Been Fully Liquidated?	
Investment in Sound American Industries,		Oil Profits, Rationalization the Key to.....	368	Has the Fall.....	835
Eight Rules for Profitable.....	943	Oils Are in the Spotlight, Why the.....	1005	Stocks Selling Below \$100 a Share, Profit	
Investment Plan That Guarantees a Com-		Otis Elevator Co.....	860	Possibilities in.....	1016
fortable Living in Later Years, An.....	548	Otis Steel Co.....	1044	Stocks Split-Ups Obscure Real Values.....	187
Investment Success in 1930, Looking Ahead		Outstanding Investments of 1930, The Ten.....	856	Stocks vs. Bonds Debate.....	778, 866
to.....	459			Stocks and Bonds Are Desirable, Both.....	780
Investment, The Newer Importance of.....	213	Packard Motor Car Co.....	564	Stocks Keep Faith with Investor Over Long	
Investment Trusts, A Lesson From.....	515	Pacific Gas & Electric Co.....	34	Period of Time.....	867
Investment Trusts After the Storm.....	749	Pacific Lighting Corp.....	534	Studebaker Corp.....	402
Investment Trusts, Dressing Up With.....	8	Paramount Famous Lasky.....	231, 771		
Investment Trusts—Friend or Foe of the		Penney Co., J. C.....	404, 646	Tax Reduction.....	262
Stock Market? Part I.....	97	Pennsylvania.....	374	Taxes, Reduce Corporation.....	7
Investment, Unique Plans for Profitable.....	28	"Personally I Agree With Mr. Valiant".....	778	Tariff Editorial "Not So Wild".....	180
Investments for 1930, The Ten Outstanding		Petroleum Forecast.....	450	Tariffs, Something New In.....	515
Investor from Losses Through Bear Raids,		Phillip Morris.....	312	Texas Corp.....	120, 650, 1018
Protecting the.....	438	Phillips Petroleum.....	36, 872	Texas Gulf Sulphur.....	46, 772
Investors Assume Rights of Ownership.....	268	Pittsburgh Plate Glass Co.....	644	Texas Pacific Coal & Oil.....	404
Investors the Market's Strength or Weak-		Policy Loans Lend a Helping Hand to the		Things to Think About—	
ness? Are Small.....	924	Insured.....	947	18, 370, 610, 685, 848, 1008	
Is the Customer Oversold?.....	364	Preferred Stocks Regaining Investment Popu-		Timken Roller Bearing Co.....	567, 858
		larity.....	454	Too Much Appropriations.....	746
Jewel Tea Co., Inc.....	771	Price Trend, On the Trail of the.....	517	TRADE TENDENCIES	
Johns-Manville.....	150	Production Must Have Mass Consumption,		Business Shows Mixed Trends.....	48
		Mass.....	520	Business in Sound Position.....	130
Kennecott Copper Corp.....	479, 1044	Profits Grow Out of Selling Costs, Making.....	520	Business Exhibits Steady Tone.....	211
Kresge, S. S.....	151, 538, 726	Prosperity Is in the Pay Envelope.....	677	Business Quiet But Steady.....	303
Kroger Grocery & Baking.....	872	Prosperity of Raw Material Producer Basis		Trade Active as Industry Marks Time.....	388
		of Latin-American Difficulties, Lagging.....	757	Slight Revival in Industrial Activity.....	554
Lehigh Valley Railroad.....	33	Prosperity Program, Shooting Holes in the.....	608	Gradual Gains Continue.....	630
Lambert Co.....	484	Public Service of N. J.....	859	Business Activity Irregular.....	782
Latin-American Difficulties, Lagging Prosper-		Public Utilities Forecast.....	448	Industry Hesitates as Demand Fails to Gain	870
ity of Raw Material Producer Basis of.....	757	Purity Bakeries Corp.....	113, 288, 950	Trade Makes Headway Slowly.....	948
Lehn & Fink Products Co.....	478, 1044			Trade and Industry Behind the Season.....	1030
Liggett & Myers Tobacco Co.....	203, 768	Quaker Oats Co.....	961		
Life Insurance Trusts and Optional Settle-				"Uncle" Hickman Advises Caution.....	124
ments Conserve Policy Proceeds, How.....	126	Rail Equipment Companies Face New Pros-		Union Carbide & Carbon.....	151, 445, 1017
Like It Or Not.....	8	perity.....	376	United Carbon.....	1017
Loews, Inc.....	727	Rail Investors, What the Consolidation Plan		United Corp.....	936
Loew's Inc., Deb. 6s, 1941, With Warrants.....	24	Means to.....	435	United Gas Improvement Co., The.....	1014
Looking Behind the Curtain.....	432	Rails Consolidate Their Position.....	447	U. S. Industrial Alcohol Co.....	646
Loose-Wiles Biscuit Co.....	203, 404	Rails Split Their Shares? Will American.....	762	U. S. Pipe & Fdy. Co.....	1016
Lorillard Co., P.....	935	Rails, Status of the.....	746	U. S. Rubber Co.....	800
		Railroad Holding Companies, Congress Moves		U. S. Steel Corp.....	443
Mack Trucks.....	76	for Inquiry into.....	523	Utah Light & Traction, 1st & Ref. 5s, 1944.....	372
Macy & Co., R. H.....	443	Railroad Precedent, Van Sweringens Upset.....	20	Utilities Gives New Basis of Market Ap-	
Magazine of Wall Street's Common Stock		Railroad Preferred Stocks Offer Investment		praisal, Severe Deflation of.....	110
Price Index, Fourth Annual Revision.....	544	Attraction.....	106	Utilities Power & Light Corp.....	764
Margin Buying, Limiting the Risks in.....	530	Railroads, Transcontinental.....	914	Utilities? Shall I Buy the Low-Priced.....	854
Market Appraises Industry, How the.....	683	Rates, Lower Rediscount.....	598	Utility Companies, De-Pyramiding the.....	612
Market Boom Advances Toward Corrective		Rationalization the Key to Oil Profits.....	368		
Stage.....	995	Readers' Round Table—The Bull Market's		Vacuum Oil Co.....	1046
Market Break Forces Recognition of Invest-		Come Back.....	210	Valuation and Recapture.....	834
ment Standards.....	9	Reading.....	112, 1012	Van Sweringens Upset Railroad Precedent.....	20
Market Decline Paves the Way for Gold		Real Estate Comes Back to Earth.....	920	Vanadium Corp.....	950
Exports.....	366	Refinancing or Receivership.....	760		
Market, Making the World Our Home.....	603	Re-Investment Guide, Annual.....	276	Wabash Railway.....	614
Market Seeks Public Following Through		Remington Rand, Inc.....	632	Ward Baking.....	288
Bullish Antics.....	747	Remington-Rand 5½s, 1947.....	1010	Warner Bros. Pictures, Inc.....	643
Marlin-Rockwell Corp.....	896	Reparation Bonds and Business.....	833	Washington Helping or Hindering Business?	
Mathieson Alkali Works, Inc.....	622	Republic Iron & Steel Co.....	647	Is.....	843
Merger Year, A.....	430	Reserve Ratio Rises.....	516	Wealth, A Sound Plan to Accumulate and	
Mergers and More Mergers.....	833	Reynolds Tobacco Co.....	358	Conserve.....	460
Mergers, Making Security Profits in.....	997	Rock Island.....	930	Wealth, Distributing and Making.....	429
Merging of the "Northern," The.....	690	Royal Dutch Co.....	32, 208	Western Union.....	198
Metals Forecast.....	449			Westinghouse Electric & Mfg.....	390, 470, 800
Miller Rubber Co.....	646	Sears, Roebuck & Co.....	205, 566	What Is on the Corporate Christmas Tree?.....	272
Minneapolis-Moline Power Implement.....	404, 962	Securities, Undigested.....	179	Where Do We Stand—And Where Are We	
Missouri-Kansas-Texas.....	934	Security Buying, Fashions in.....	928	Going?.....	675
Montgomery Ward & Co.....	116, 727	Security Profits in Mergers, Taking.....	997	Which Shall It Be?.....	432
Montgomery Ward? What Is Wrong with.....	861	Silver Ceasing to be a Precious Metal? Is.....	606	Woolworth Co., F. W.....	532
		Simmons Co.....	784	World Comes Back, The.....	266
National Biscuit.....	71	Simms Petroleum.....	320	Worthington Pump & Machinery Co.....	726



Hotels that keep ahead of your demands



The traveling public didn't demand a bath with *every* room, or circulating ice water, or a morning paper under the door at no cost—*until* Hotels Statler inaugurated these improvements.

There are also bed-head reading lamps, full-length mirrors, colorful furnishings, even threaded needles in the pin-cushions in every room.

In restaurants there is the widest variety, ranging from formal a la carte service to lunchroom or cafeterias.

But it is in Statler Service that this policy of keeping ahead of your demands is most noticeable. Statler employees are not only instructed but are *trained* in courtesy and helpfulness. They, too, keep ahead of your demands.

HOTELS STATLER

BOSTON DETROIT
BUFFALO ST. LOUIS
CLEVELAND NEW YORK
[Hotel Pennsylvania]

Guaranty Trust Company of New York

140 Broadway

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP

Condensed Statement, March 27, 1930

RESOURCES

Cash on Hand, in Federal Reserve Bank, and due from Banks and Bankers	\$ 308,735,592.54
U. S. Government Bonds and Certificates	198,552,290.61
Public Securities	26,369,985.98
Stock of the Federal Reserve Bank	7,800,000.00
Other Securities	45,220,636.99
Loans and Bills Purchased	952,401,843.96
Real Estate Bonds and Mortgages	770,939.99
Items in Transit with Foreign Branches	21,105,300.11
Credits Granted on Acceptances	162,289,099.48
Real Estate	14,549,527.71
Accrued Interest and Accounts Receivable	11,525,848.17
	\$1,749,321,065.54

LIABILITIES

Capital	\$90,000,000.00
Surplus Fund	170,000,000.00
Undivided Profits	35,035,100.51
	\$ 295,035,100.51
Accrued Dividend	4,306,000.00
Outstanding Foreign Bills	479,827.00
Bills Payable	19,500,000.00
Accrued Interest, Miscellaneous Accounts Payable, Reserve for Taxes, etc.	14,850,167.35
Agreements to Repurchase United States Securities Sold	3,759,204.93
Acceptances	162,289,099.48
Liability as Endorser on Acceptances and Foreign Bills	115,716,235.28
Deposits	\$1,091,123,097.32
Outstanding Checks	42,262,333.67
	1,133,385,430.99
	\$1,749,321,065.54

CHARLES H. SABIN, Chairman

WILLIAM C. POTTER, President

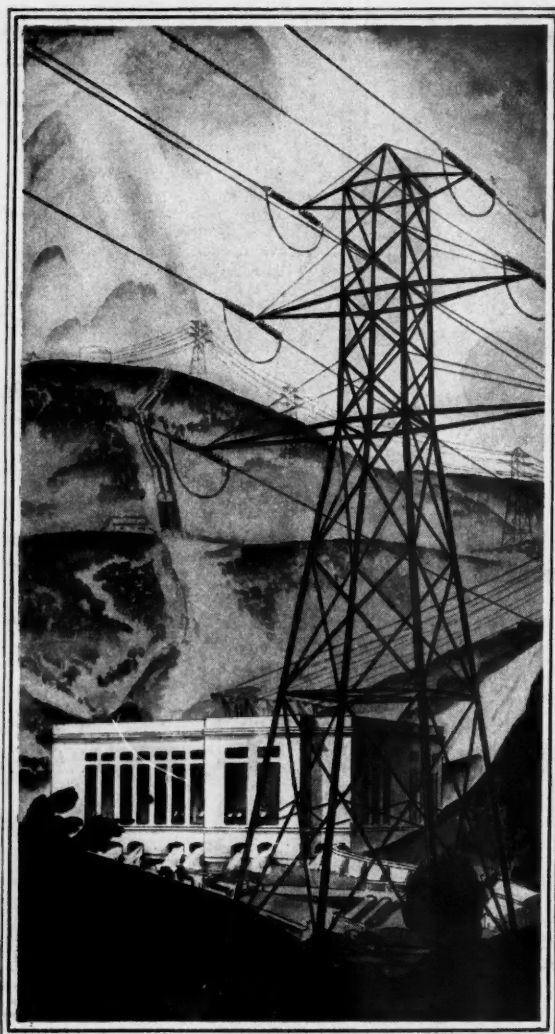
DIRECTORS

CHARLES H. ALLEN	Trustee	JOHN A. HARTFORD	President, The Great Atlantic & Pacific Tea Company
GEORGE G. ALLEN	Vice-Chairman, British-American Tobacco Company, Limited, and President, Duke Power Company	DAVID F. HOUSTON	President, The Mutual Life Insurance Company of New York
J. HOWARD ANDREY	Vice-President	CORNELIUS F. KELLEY	President, Anaconda Copper Mining Co.
W. W. ATTERBURY	President, Pennsylvania Railroad Company	THOMAS W. LAMONT	of J. P. Morgan & Co.
EDWARD J. BERWIND	Chairman of the Board, Berwind-White Coal Mining Company	CLARENCE H. MACKAY	President, Commercial Cable-Postal Telegraph System
W. PALEN CONWAY	Vice-President	ANGUS D. McDONALD	Vice-Chairman, Executive Committee, Southern Pacific Company
CHARLES P. COOPER	Vice-President	RICHARD B. MELLON	President, Mellon National Bank, Pittsburgh
AMERICAN Telephone & Telegraph Company	of Pickands, Mather & Company	GRAYSON M.-P. MURPHY	of C. M.-P. Murphy & Co.
HENRY G. DALTON	of Davis Polk Wardwell Gardiner & Reed	WILLIAM C. POTTER	President
JOHN W. DAVIS	Chairman of the Board, Southern Pacific Company	LANSING P. REED	of Davis Polk Wardwell Gardiner & Reed
HENRY W. de FOREST	President, Campbell Soup Company	GEORGE E. ROOSEVELT	of Roosevelt & Son
JOHN T. DORRANCE	President, The Prudential Insurance Company of America	CHARLES H. SABIN	Chairman of the Board
EDWARD D. DUFFIELD	Chairman of Board, Liggett & Myers Tobacco Co.	CHARLES B. SEGER	Chairman, Finance Committee, Union Pacific System
CALEB C. DULA	President, Berwind-White Coal Mining Company	MATTHEW S. SLOAN	President, The New York Edison Company
CHARLES E. DUNLAP	of Field, Glor & Co.	VALENTINE P. SNYDER	Retired
MARSHALL FIELD	President, The Bank for Savings in the City of New York	EUGENE W. STETSON	Vice-President
LEWIS GAWTRY	Real Estate	JOSEPH R. SWAN	President, Guaranty Company of New York
ROBERT W. GOELET	President, Columbia Gas & Electric Corporation	JOSEPH B. TERBELL	Chairman of Board, American Brake Shoe & Foundry Co.
PHILIP G. GOSSLER	President, Bethlehem Steel Corporation	STEVENSON E. WARD	of E. F. Hutton & Co.
EUGENE G. GRACE	Chairman of Board, W. A. Harriman & Co., Inc.	CORNELIUS VANDERBILT WHITNEY	Banker
W. AVERELL HARRIMAN	Chairman of Executive Committee, New York Central Lines	GEORGE WHITNEY	of J. P. Morgan & Co.
ALBERT H. HARRIS		HARRY PAYNE WHITNEY	Banker
		THOMAS WILLIAMS	of I. T. Williams & Sons

The Flow of POWER

speeds the
flow of
Production

Modern business is tuned to the rhythmical hum of the high-tension power line. Its insistent commands have broken down ancient geographical barriers as old as the first rude paddle-wheel mill. Where once we laboriously carried raw materials to the source of power we now flash power with effortless ease to the logical seat of our production activities — however remote it may be. There we put it to work driving machines, lifting burdens, bringing light, fresh air, heat and comfort—speeding production by making work easier and more pleasant, performing tasks impossible under old methods.



Electric power transmission is based on alternating current, a Westinghouse development, and Westinghouse today supplies electrical equipment to power companies to meet every requirement of modern business.

ELECTRIC POWER BUILDS BUYING POWER

Westinghouse

